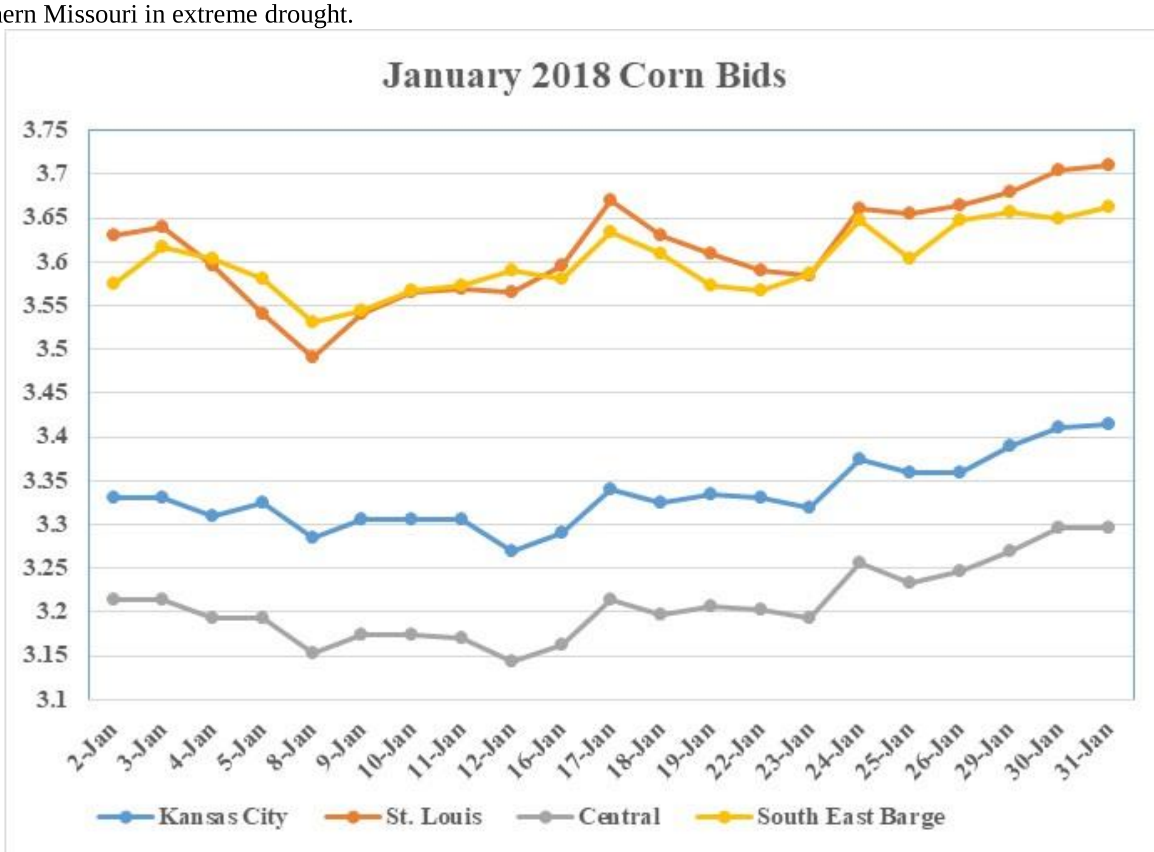
Monthly Grain Crop Review

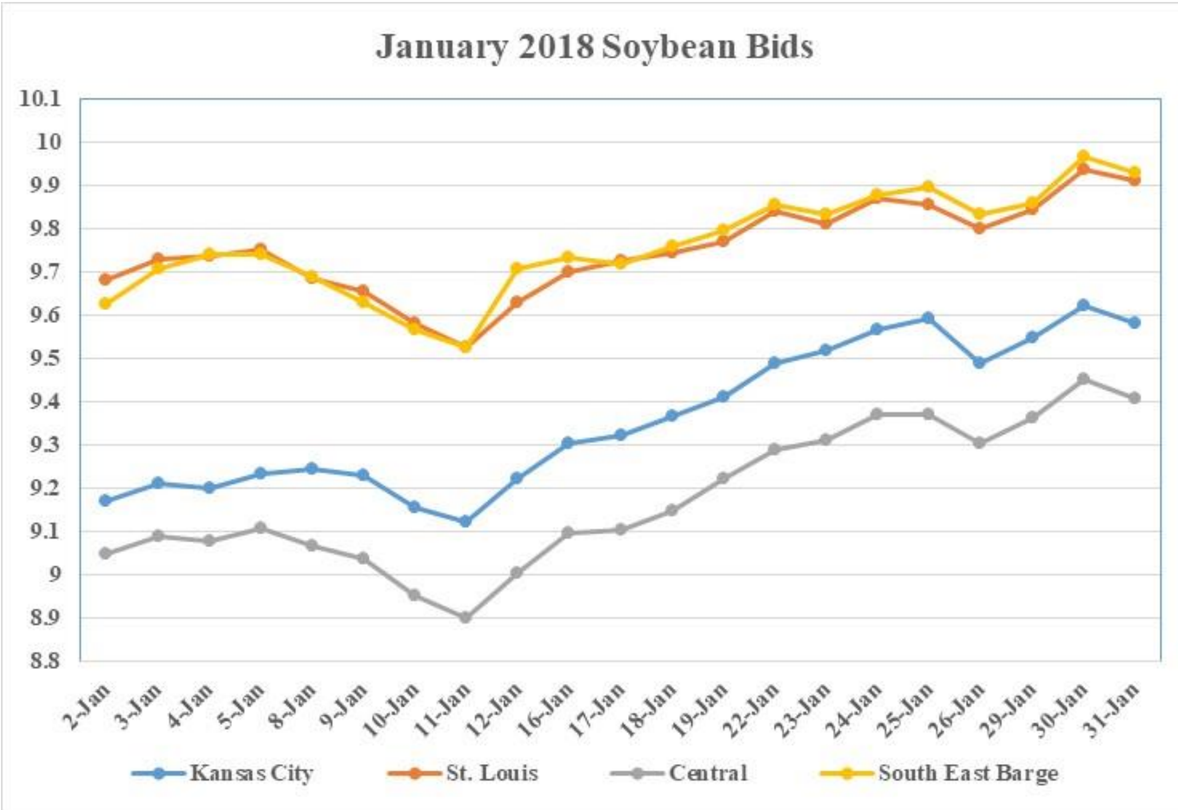
January 2018

Jefferson City, MO   Thu Feb 01, 2018   MO Dept of Ag/USDA Market News

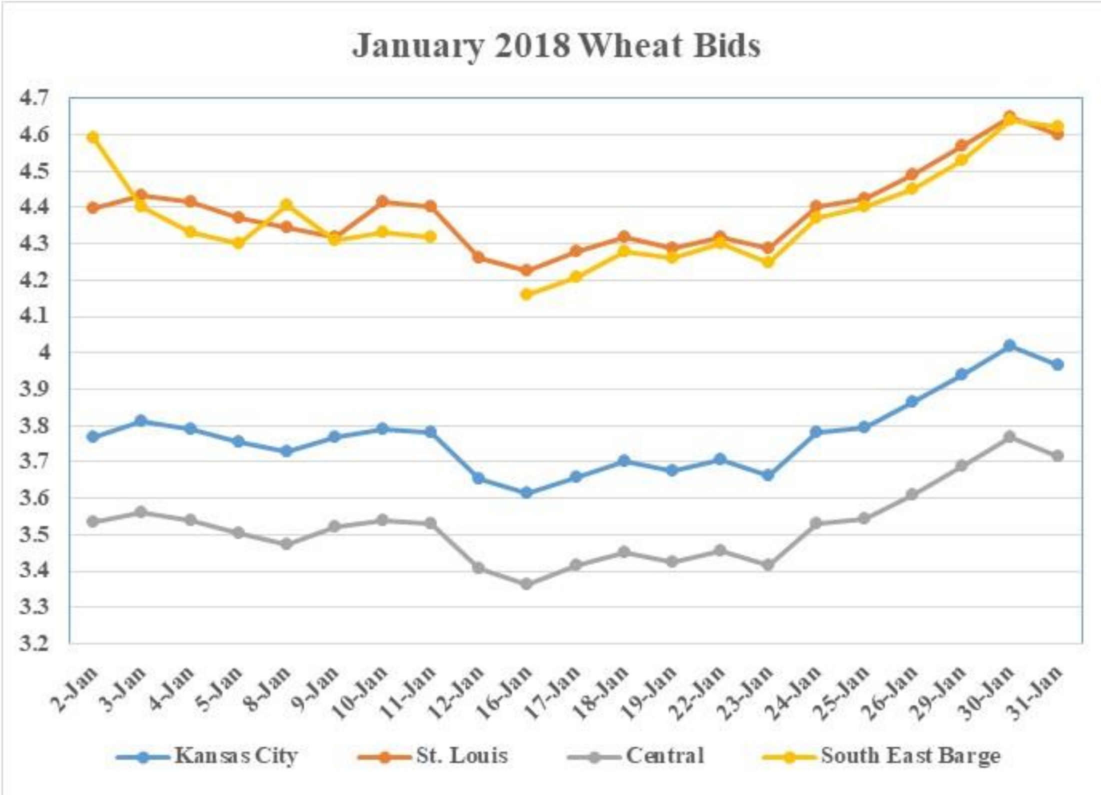
Grain markets were quiet starting the year out. Corn, soybean, and wheat export sales for 2017-2018 reached marketing year lows for the last week of the year, according to USDA. January weather in Missouri was all over the charts. Although the monthly average temperature was not far from normal, there were several extremes in both directions. The US National Weather Service in Kansas City noted that there were lows that reached 5 to 20 below zero at the beginning of the month. Along the Mississippi River, there were a couple of days that the ice and low water conditions caused some delays when transporting grain. Then, after January 19, excluding only a couple of days, temperatures were above normal. On the warmest days, temperatures rose to the 50s, 60s, and even lower 70s in some areas. The month closed out slightly below normal. While there was some precipitation around Missouri, most counties are still seeing dry conditions and are currently categorized as abnormally dry, moderate drought, or severe drought. There are portions of three counties in southern Missouri in extreme drought.



Some more sideways trading in the corn markets again this month, if not a little more upward than last month. South American weather kept the attention of traders throughout the month. The forecasts of dry weather or precipitation made analysts want to change estimates of harvest in South America. Domestic demand was active, as prices show the slight increase throughout the month. While corn prices are still lower than producers would like, corn prices have continued the slight steady increase since the middle of November. The spike on the 17th was attributed to commercial buying and the ongoing concerns of dry weather around the US. Farmers cleaned out some bins after seeing some of the highest corn prices seen in five months. While it followed with lower bids the next days, it was made up again to carry on the climb upwards. Another record corn crop is expected, according to USDA, but harvested acres are expected to decrease, limiting overall production.



Soybeans took a beating during December and it looked like January may continue that trend until mid-month when things started to improve. Bids in January gained back about all that was lost in December. The WASDE report showed a higher soybean acreage expected for this coming year, however soybean production is estimated down 33 million on lower yields, at 4,392 million bushels. Crush activity has increased and meal shipments are higher than a year ago, even though soybean shipments were down.



*Missing data is due to elevators in that area not receiving wheat at that time.

Wheat bids had more life in January than they did in December. While December Wheat bids were about as sideways as you can get, January bids had a few dips and an overall upwards trend, like the other commodities in this report. Farmers are keeping their eyes on forecasts, now that some wheat is starting to show through the ground. Dry conditions could affect wheat that is in the ground, but we will have to see what the next few months bring us.

*Sets of data for the graphs are from the Missouri Grain Cash Bids report that is published daily. Only dates in which markets are trading are represented.

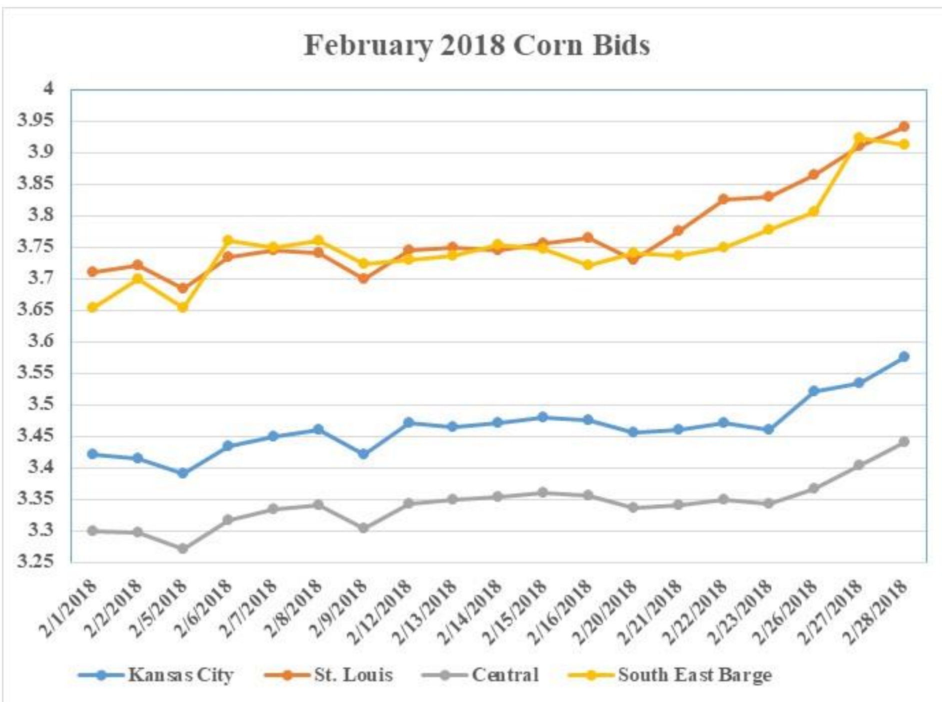
Source: MO Dept of Ag/USDA Market News Service, Jefferson City, MO
Caroline Tyler-Carter, Market Reporter, (573)751-5618

Monthly Grain Crop Review

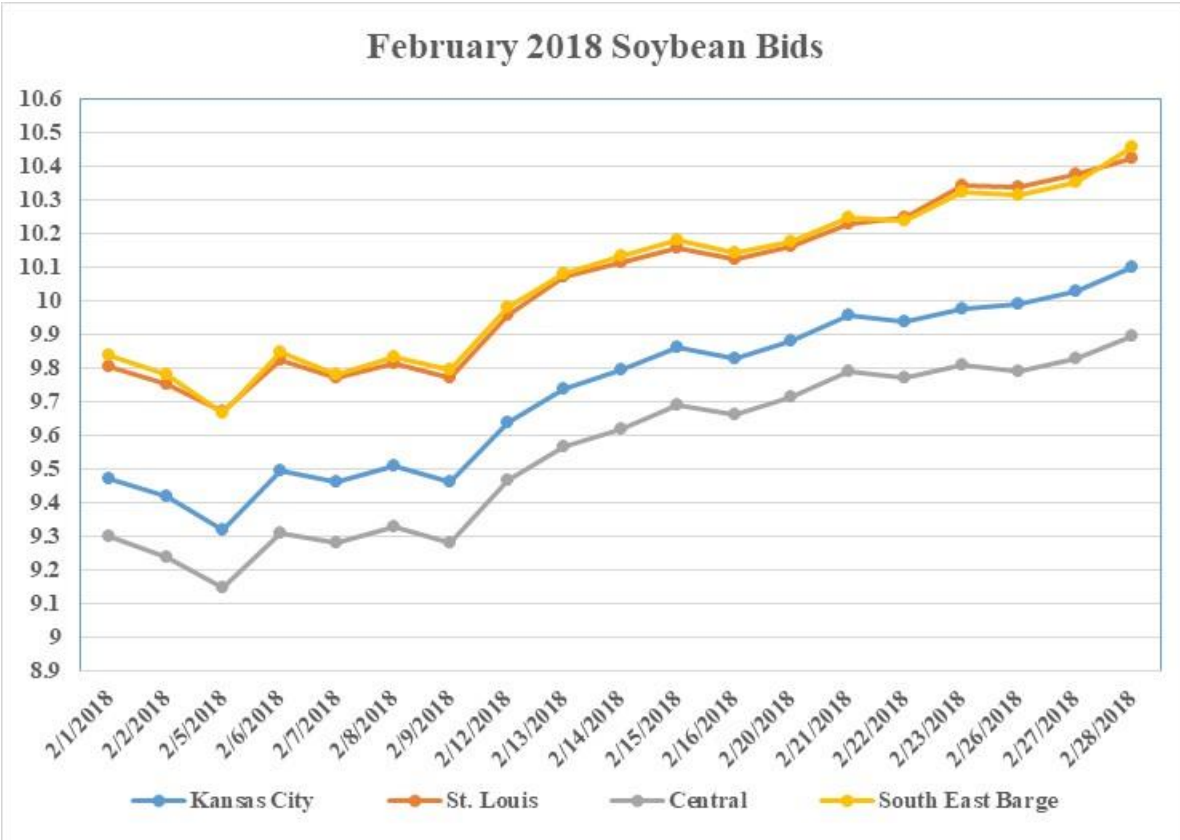
February 2018

Jefferson City, MO   Fri Mar 02, 2018   MO Dept of Ag/USDA Market News

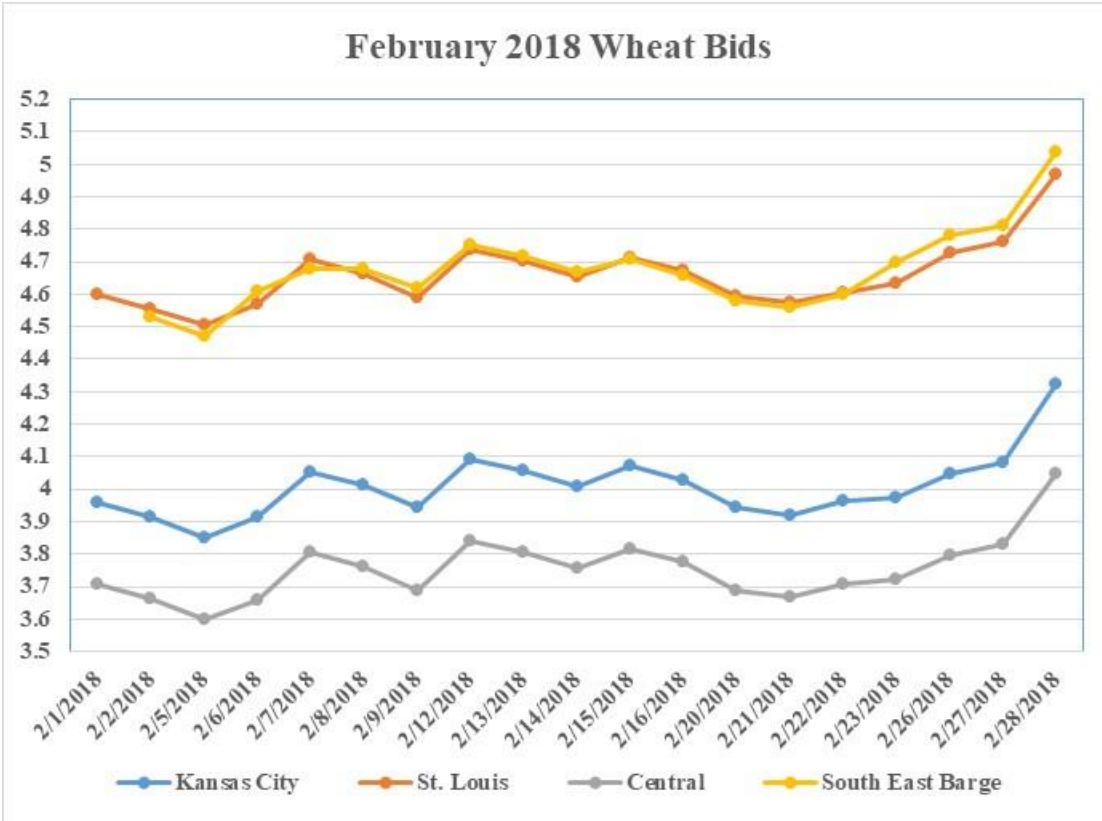
Missouri is still several weeks away from the start of planting season, but traders and producers alike have turned their concerns from old crop to new crop. The last part of February cemented that thinking with the nice, warm weather. South American weather continued to be the focal point for traders throughout February. Any change in weather, good or bad, the market responded. Argentina's weather continued to be a major market force. If there was a round of rain coming, the market backed off their higher bids, but for the most part, the dry weather worries and uncertain harvest in South America translated to higher grain trade in Chicago. Volatility in outside markets had their impact on some of the futures grain trade, as well. Stock indices, crude oil, and the US dollar kept traders uncertain on market direction. Some much needed precipitation was well received around most of Missouri the last couple of weeks. There have been a few transport issues due to the increased river levels, but the greener pastures were a welcomed sight. The latest drought monitor has taken severe and extreme drought out of the map completely. Where most of the state was in moderate or severe drought just a few weeks ago, "abnormally dry" is what describes the majority of the state now. The 2017 production and inventory report published by USDA was released this month. Missouri ranked 2nd in number of farm operations, 9th for corn, and 6th for soybeans.



Corn bids rose slightly this month, continuing the mostly sideways trade we have seen the last couple of months with a steady increase late in the month. Although we saw a little upward trend, corn continues to be the cheapest feed grain. Soybean meal has seen rally after rally and it is encouraging higher corn usage for feed. Corn futures were trying to be dragged up by soybeans and wheat, as well as stronger export demand. Resistance is coming from the concerns of a large supply of old crop and whether or not this year will have another record harvest. Many producers are still storing grain from 2017's record crop because of low prices and large supplies in the global market. If corn futures were positive for a couple of days, farmers took the opportunity of slightly higher prices and priced some of their inventory, causing a bit of a cap on futures gains the next day. The latest grain supply and demand report from USDA did not show many surprises, both bullish and bearish news. USDA projected a crop of 14.39 billion bushels, based on 174 bushels per acre. Weather and corn acreage are still factors as market players are starting to focus on 2018 crop.



As stated above, weather in Argentina has been one of the driving factors for the market this winter. That is quite apparent when looking at the graph above and the steady upward trend in soybeans. Production estimates in South America have been on the decline as crop stress has been increasing each week. According to Buenos Aires Grains Exchange, about 55 percent of the 2017-2018 soybean crop has been damaged due to the dry weather that started three months ago. USDA will be releasing their prospective plantings report at the end of March. Early industry expectations are about 90 million acres, although that number may change as producers take into account how cheap corn is. The higher profitability prospect in soybeans are making some producers take a second and third look at their potential soybean acres. The February WASDE showed another month of negative US soybean news. USDA estimate from 470 million bushels in January to 530 million bushels for February. The soybean meal market was pushed to new highs as soybean production estimates in South America have been on the decline.



*Missing data is due to elevators in that area not receiving wheat at that time.

Some uneven trade, but an overall upward trend was received by the wheat markets in February. Precipitation reached parts of Oklahoma, Kansas, and Nebraska, where it was greatly needed. Wheat fields around Missouri were able to green up from the rain that was a welcomed sight. USDA projects 2018 wheat production at 1.84 billion bushels, but that is excluding any potential losses from dry conditions on the southern plains. Spillover from a strong soybean market has helped pull wheat bids upward.

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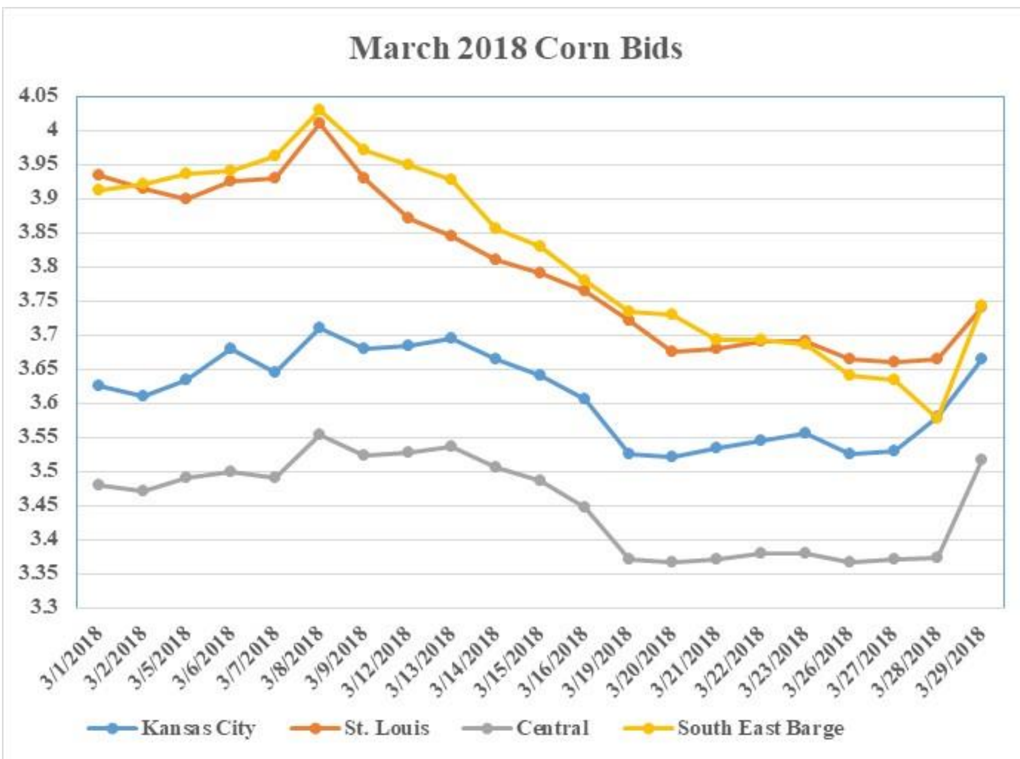
Monthly Grain Crop Review

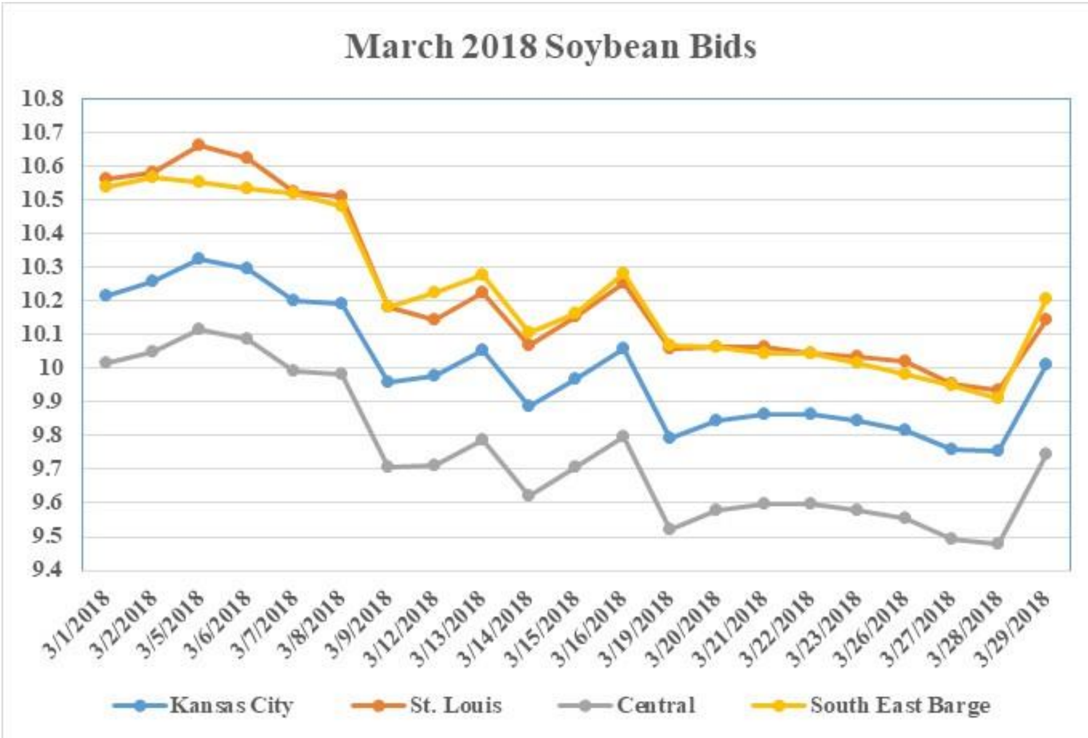
March 2018

Jefferson City, MO   Mon Apr 02, 2018   MO Dept of Ag/USDA Market News

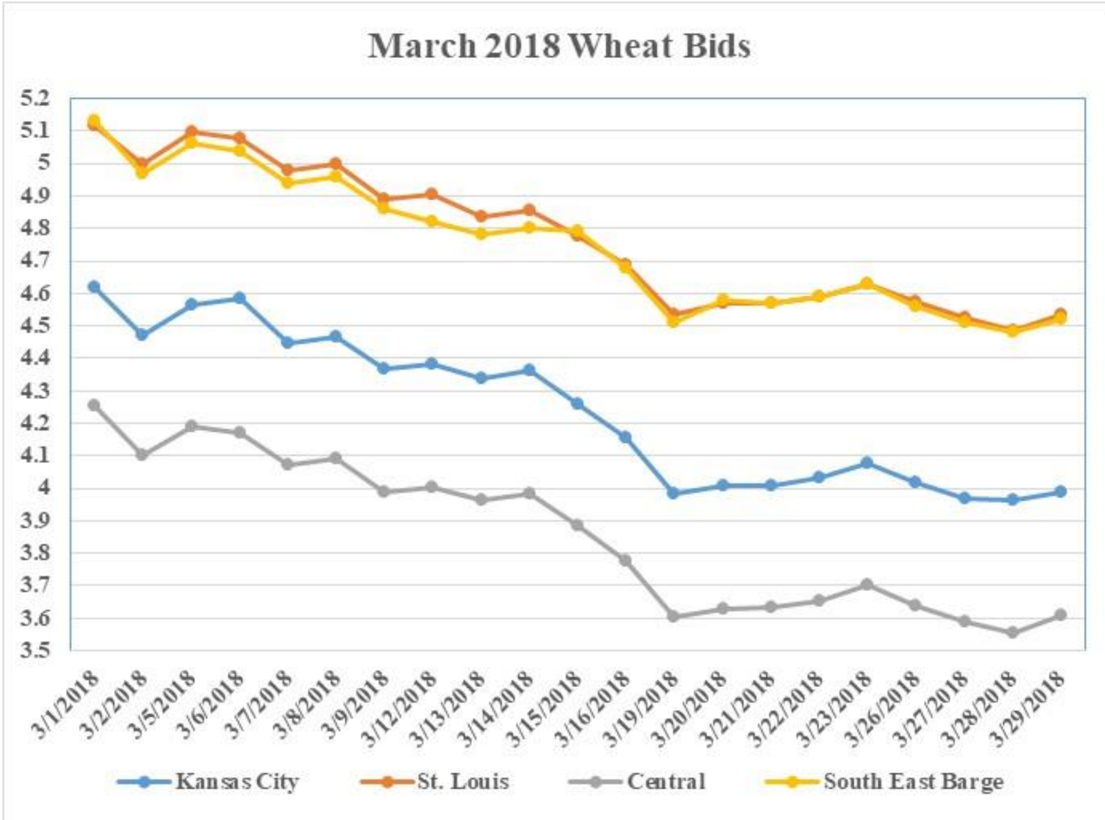
Cold and wet weather conditions prevented any early planting and pushed back pre-planting preparations. The big talks of this month were weather, and of course the USDA's Grain Stocks and Prospective Plantings reports. As is the case every year at this time, any change in the weather will cause some fluctuations in the market. South American weather was still triggering some swings throughout March, but the biggest jump for prices this month was the Prospective Plantings report that was released on March 29. The greatly anticipated report took many analysts by surprise when it was released because it predicted much fewer acres than was expected. Estimated U.S. corn acres decreased to 88 million acres, soybeans to 89 million acres, and wheat to 47 million acres. This is the first time since 1983 that soybean acres may out number corn acres nationwide. Missouri corn producers are expected to plant 3.40 million acres and soybean producers are expected to plant 5.90 million acres. The USDA Grain Stock report estimated 2.1 billion bushels of soybeans in storage, 21 percent more than March 2017. Corn is estimated at 8.9 billion bushels, three percent more than March 2017. Missouri corn stocks totaled 256 million bushels, up 5 percent from March 2017. Missouri soybean stocks totaled 103 million bushels, up 25 percent from March 2017. Another thing of note was the Federal Reserve Bank voted to raise interest rates on March 21 by a quarter of a percent.



After a general upward trend in January and February, March corn bids had more of a downward trend before jumping the last day of the month, due to the release of USDA reports. The supply and demand report from USDA was released on March 8, resulting a seven month high for that day. Most of those gains were taken back the next day, due to technical selling. Bids also weakened across the Midwest due to stronger farmer sales. Corn is still really cheap and it is not overall surprising that some producers are making the move to decrease corn acreage in favor of other commodities. There is still some time before planting season begins and that means there is time for decisions to be made about what will be planted and what crop could bring the best return.



Soybean bids had been climbing since the beginning of the year and reached a several months high at the beginning of March. Soybean bids started to drift, due to technical selling and some fluctuations in weather. Bids continued their slide, with a few jumps throughout the month, due to the change of weather in South America. Although there is a clear downward trend, bids are still higher than where we started off at the beginning of this year. The month was concluded by a double digit spike increase, large in part of the decreased expected soybean acreage for 2018. Traders were quite relieved that the planting estimate was not higher than last year's record, as some anticipated that it would be. The U.S. has a record supply of beans right now, so we will have to see what this year will bring.



Wheat bids had a clear decrease throughout March, after following the soybean increase the last two months. The ending March wheat bids are about where January started. Although we were fighting a drought until the end of February, winter wheat around Missouri has been getting ample rain. There were even some flooding issues in parts of Missouri. The latest Missouri drought monitor has the majority of the state with no drought. Although some of the southwest US plains are seeing more dry weather, our soggy wheat in Missouri got even more rain and even some snow at the end of March.

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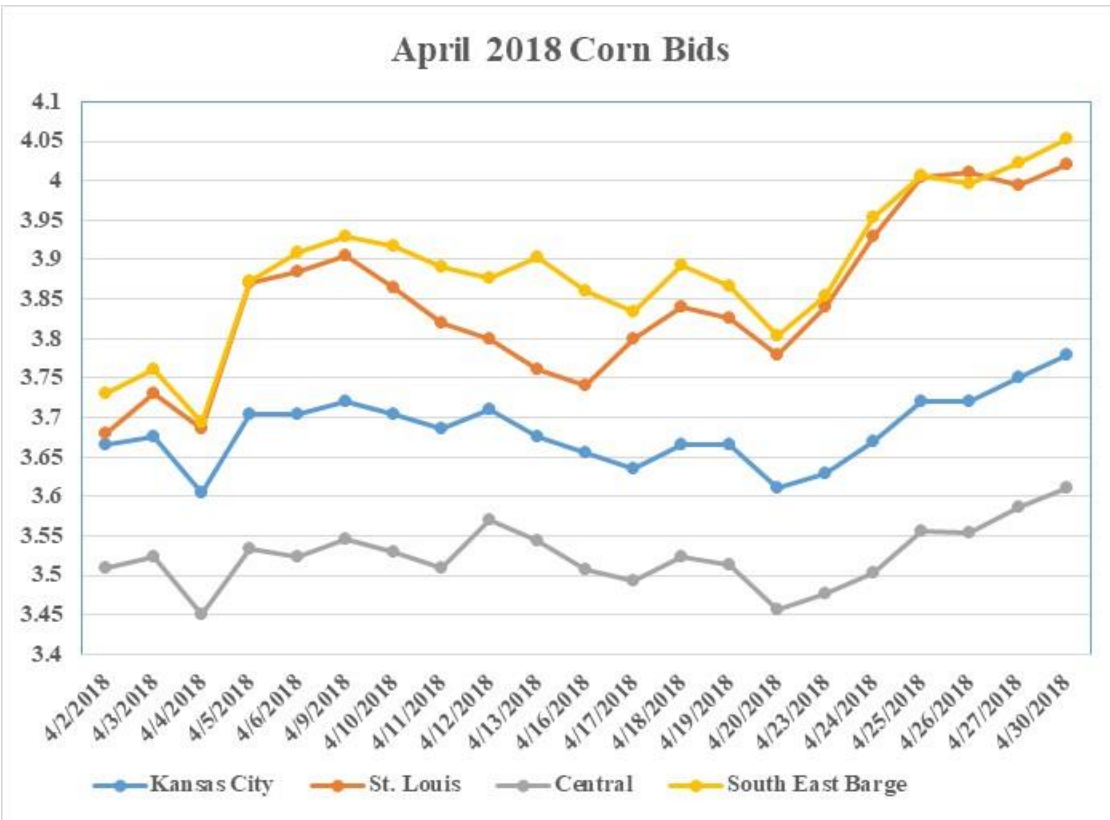
Monthly Grain Crop Review

April 2018

Jefferson City, MO   Tue May 01, 2018   MO Dept of Ag/USDA Market News

Missouri started April dreary and cold, but we closed out the month with the sun shining and great conditions for planting. There were a couple of breaks in the cold weather throughout the month, but for the most part, April was quite a bit colder than what we are used to having. As of the end of April, most places around the state are seeing soil temperatures of at least 50 for a low, then rising throughout the day. The beginning of April was unsteady for commodities due to tariffs talks and traders unsure of the outcomes. As always, any changes in the weather impacted on how commodities traded on that particular day. Some of the state has been put back onto the drought monitor, as of April 24. The northwest corner is where most of the dryness is right now, but the state as a whole could use some moisture, especially parts where corn has been put into the ground. South American harvest continues to have some play on the market, as well. As of April 26, Argentine bean harvest is just over halfway complete and the reports of poor yields continue.



Farmers finally got a break the last part of April to get some seed in the ground. The Missouri Crop Progress report indicated that 52 percent of Missouri's corn has been planted and 6 percent has emerged, as of week ending April 29. That was an increase of 36 percent and 5 percent, respectively, from the previous week. Corn bids were able to enjoy some spillover gains throughout the month from wheat. The corn prices bounced a little midmonth; farmer consolidation limited corn prices from climbing too high. The corn market was in a short-term uptrend, even though planting weather has improved and there had been talk of large U.S. stocks.

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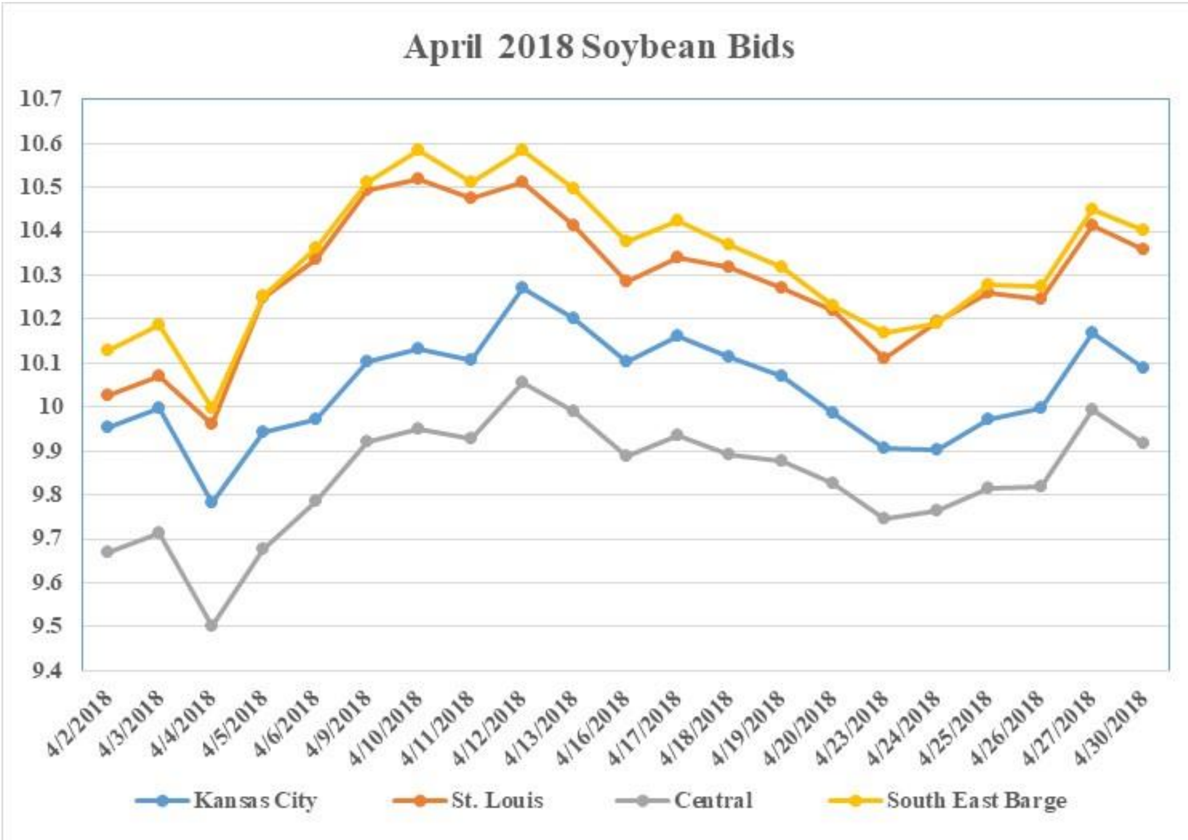
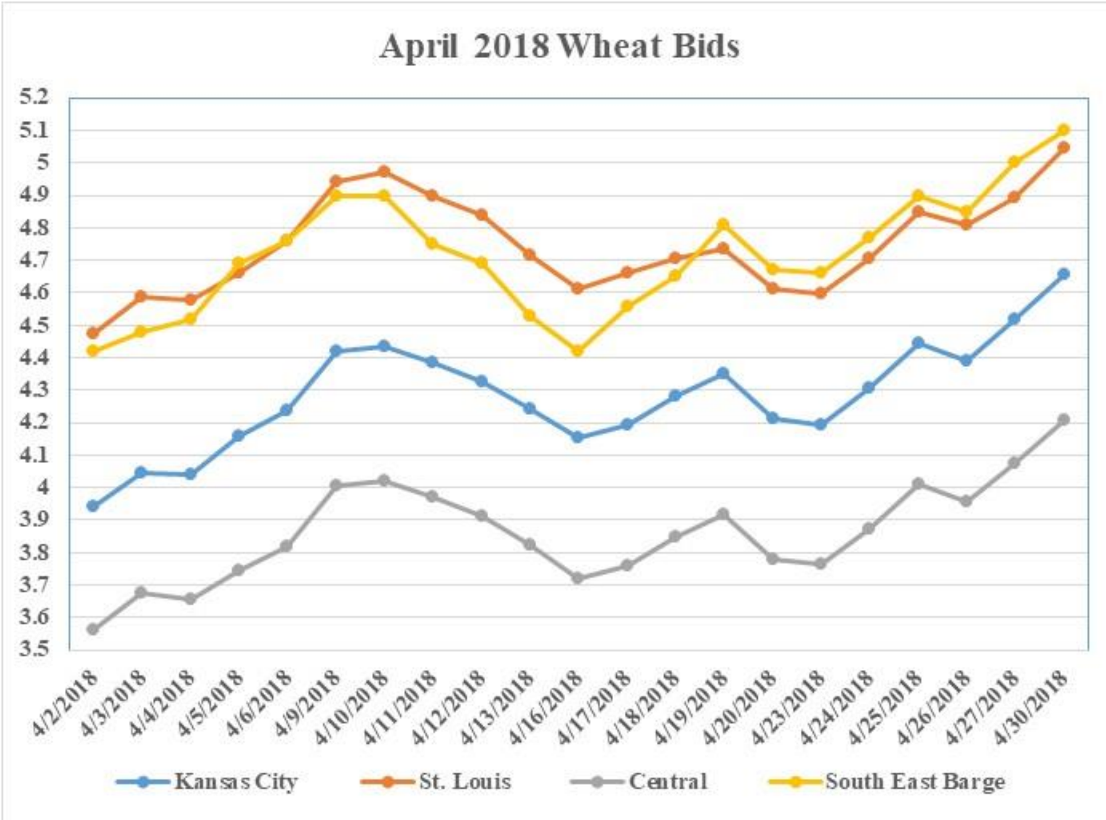


Some producers have started thinking about soybean planting season, as they wrap up corn planting and the fact that we are in May. Although only 5 percent of Missouri's soybeans have been planted as of week ending April 29, that number will surely increase by next week after the extreme progress farmers had on corn planting during the last week of April. Potential tariffs and Argentine weather is what impacted soybeans throughout April. After the dip in prices at the beginning of the month, trade war concerns began to fade and soybeans were able to bounce back. They were supported by lower estimates for Argentina's 2017-2018 crop, as well as the bullish news from USDA about exports. Optimism in futures markets returned late month after trade relations between the U.S. and China eased.



There were no shortages of challenges for wheat this month. Weather was the main driving force behind wheat bids in April. The cold, wet weather was the concern and some places received a late freeze. While wheat is a resilient crop, weather conditions were pushing the limits. Winter wheat ratings declined sharply nationwide, causing a spike in wheat prices. The drought in southwest Kansas and Oklahoma did not help any with the crop condition. As of week ending April 29, Missouri winter wheat condition is 44 percent good and 40 percent fair, versus 25 and 32, respectively, in the 18 selected states for the national crop progress report.

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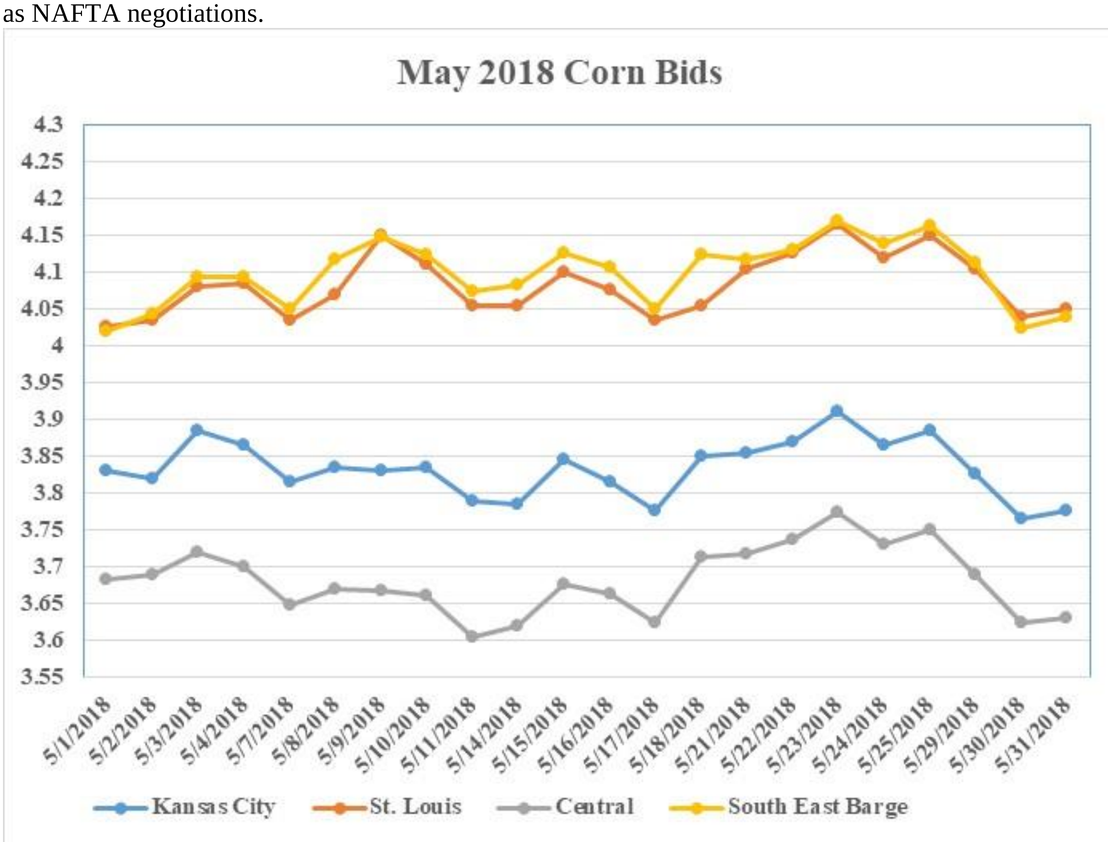
Monthly Grain Crop Review

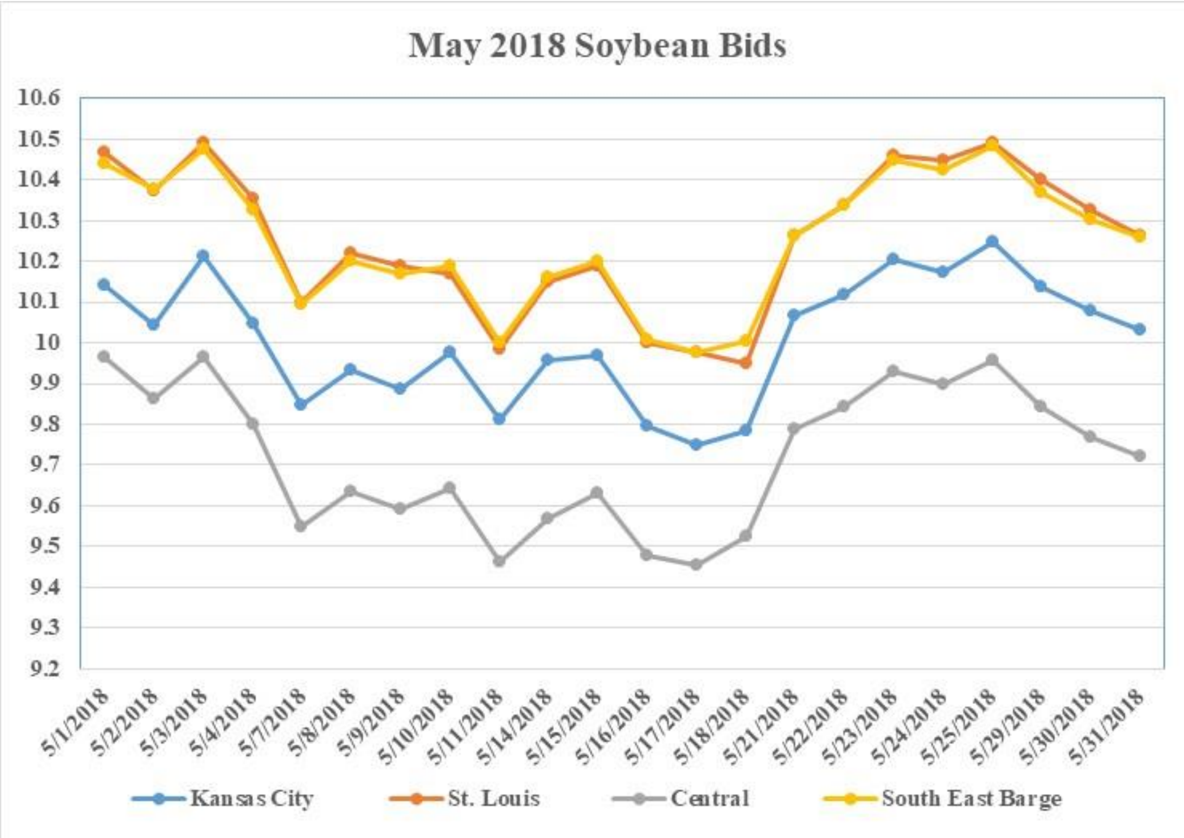
May 2018

Jefferson City, MO   Mon June 03, 2018   MO Dept of Ag/USDA Market News

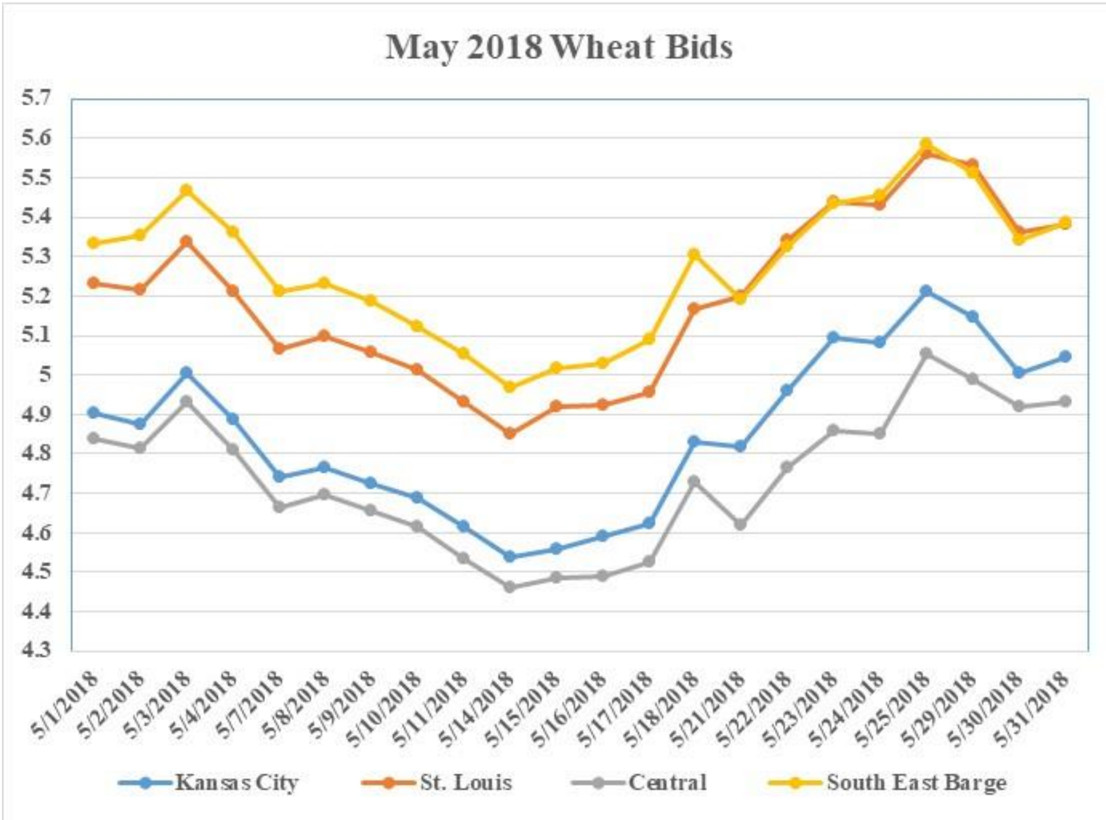
The weather in Missouri was at it again. Throughout April, farmers were hard-pressed to get into their fields, but were delayed due to rain and cold weather. May was about the complete opposite as planting conditions were quite favorable. Where there were planting delays throughout April, producers got to work and made huge headway the first couple of weeks of May. By mid-May, farmers had planted 60 percent of the nation's crop in three weeks, due to the weather delays. All Missouri corn has been planted (not including any replant corn) and nearly all Missouri soybeans have been planted (not including double-crop beans or replant), well ahead of the five year average and last year's rates. The latest drought monitor available at the time of this report was released May 29, and about half of the state is included, with the northwest portion being the most in need of moisture. There were a few days that had parts of Missouri setting record highs, especially the last part of May. Grain markets continue to be focused on the United States/China trade negotiations, as well as NAFTA negotiations.



For as much of a ride that we had for corn prices, we closed out May about the same place we started. There were a couple of days that July and December futures contracts hit nine and ten month highs. On those days, corn bids were enjoying some spillover strength from wheat or soybeans. The final crop progress report for May, released on May 29, showed that a large percentage of corn is in the good to excellent categories (79 percent for the nation, 70 percent for Missouri). With the good news, corn bids dropped at least a dime in locations around Missouri. The latest crop progress report available at time of this report (June 4) shows that 95 percent of U.S. corn has been planted and 78 percent is rated good or excellent, not much of a change from the previous week. In Missouri, 96 percent of corn has emerged and 67 percent has been rated good or excellent The USDA's first WASDE report for 2018/2019 was released on May 10. The U.S. is expected to harvest 14 billion bushels, with a projected yield of 174 per acre. This is lower from last year due to a lower forecasted area..



Soybeans bids just could not hold on to any footing throughout May. The absence of export news and early stages of the growing season kept the soybean market quite bearish. Traditionally, the United States soybean market gets weaker at this time of year due to South America harvesting beans and having plenty to export. While this is still true this year, as represented by the graph, trade negotiations with China played a large role in the volatility of the soybean market throughout May. The Buenos Aires Grain Exchange lowered their 2017-2018 production estimates again on May 17, for the soybean crop in Argentina to 1.323 billion bushels from 1.396 billion bushels. This was largely in part due to the heavy rains in April that followed the several months of drought, possibly limiting yields further. As stated before, United States/China trade talks caused some swings in both directions, depending on how well negotiations were going on the particular day. Grains continued to struggle through the end of May, as there had not been an agreed upon trade deal by the end of the month. The WASDE report showed a projection of 4.280 million bushels for soybeans this year. That is 112 million lower from last year's record crop, due to a lower projected harvested area and yields. The latest crop progress report available at the time of this publication, released June 4, showed that 81 percent of the nation's soybeans have been planted and 75 percent is rated good or excellent. In Missouri, 85 percent of soybeans have been planted, 69 percent have emerged, and 54 percent has been rated good or excellent.



Several farmers around the state have wrapped their wheat, instead of waiting for harvest. The need for forage has increased. Missouri had an early start to the summer last year and we had a late start this year. There is not much in the way of forage supplies, combined with the lack of precipitation, farmers are worried about pasture growth. While wheat harvest is fast approaching, there hasn't been anyone starting up just yet. Any wheat left in the field has headed out and is starting to turn yellow. The WASDE report stated that the U.S. wheat crop is expected to be 5 percent more than last year at 1.821 million bushels, due to the slightly higher expected yields and increased harvested area. The projected wheat yield is at 46.8 bushels per acre. The latest crop progress report, released June 4, showed that 37 percent of U.S. wheat is rated good or excellent and 9 percent of the nation's crop has been harvested, with the majority being in Texas. In Missouri, 56 percent of wheat has been rated good or excellent.

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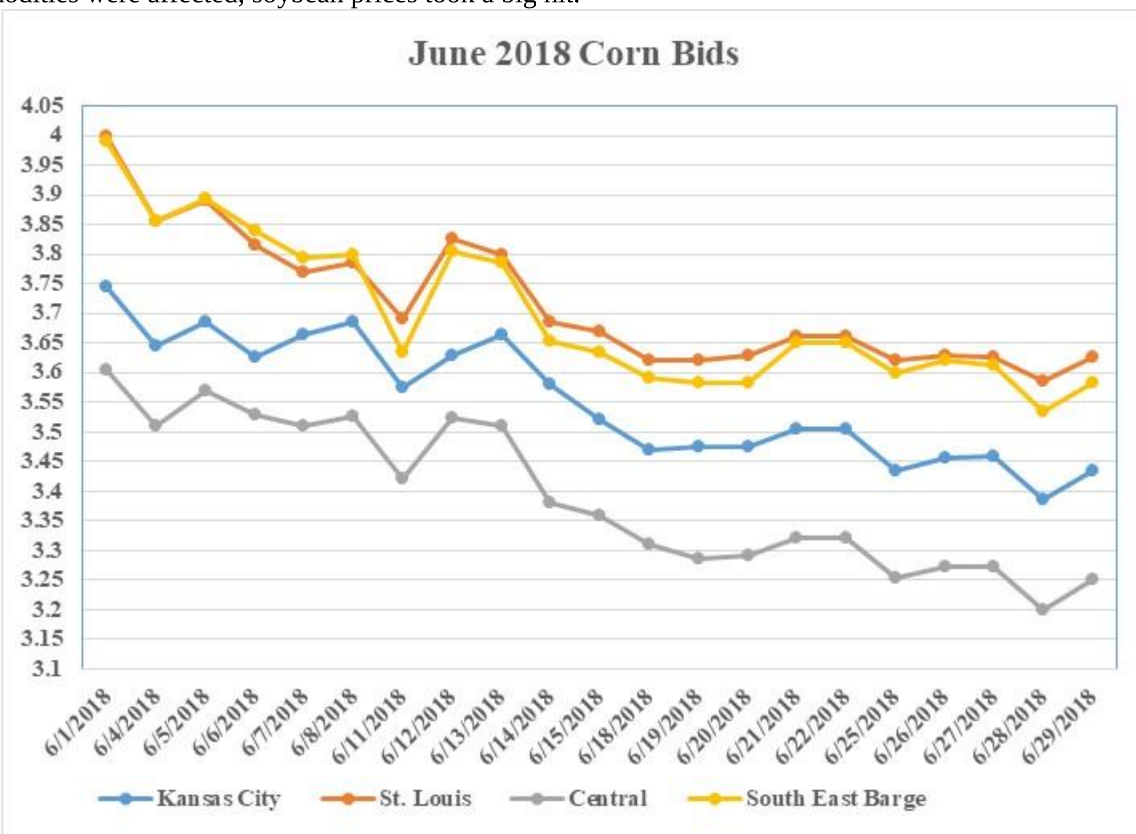
Monthly Grain Crop Review

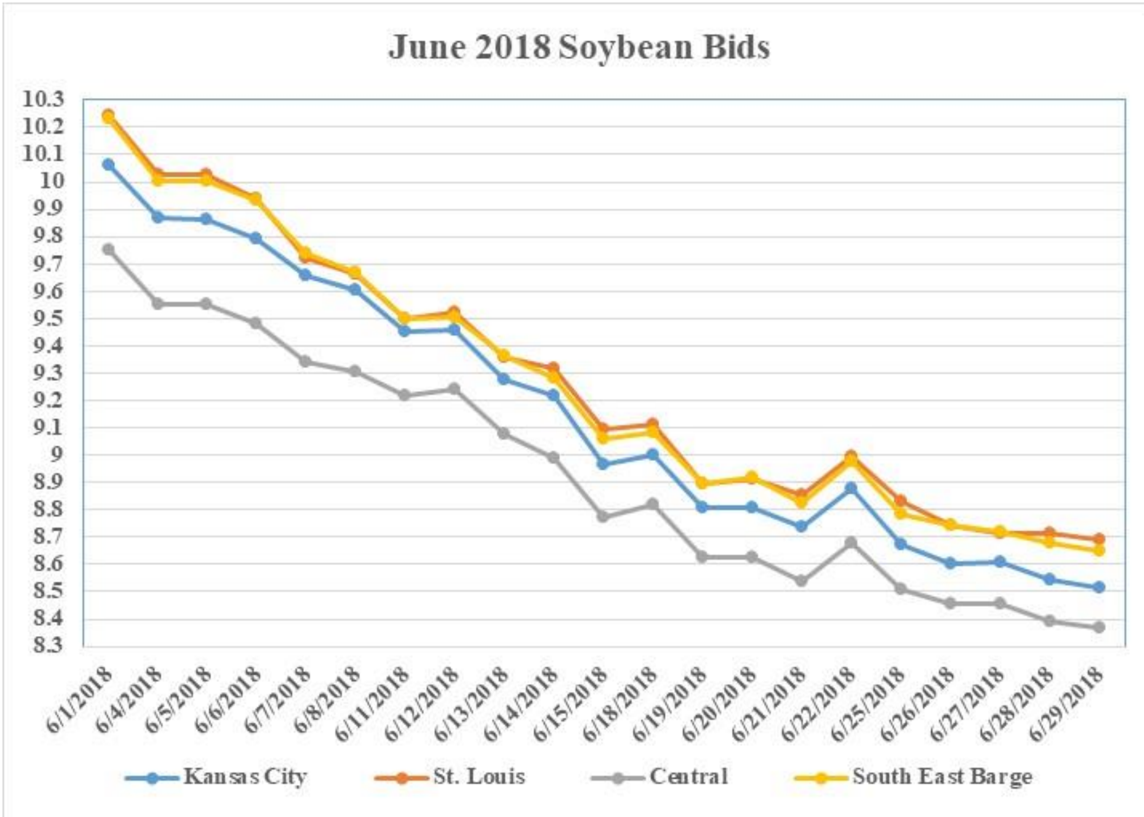
June 2018

Jefferson City, MO   Tue July 03, 2018   MO Dept of Ag/USDA Market News

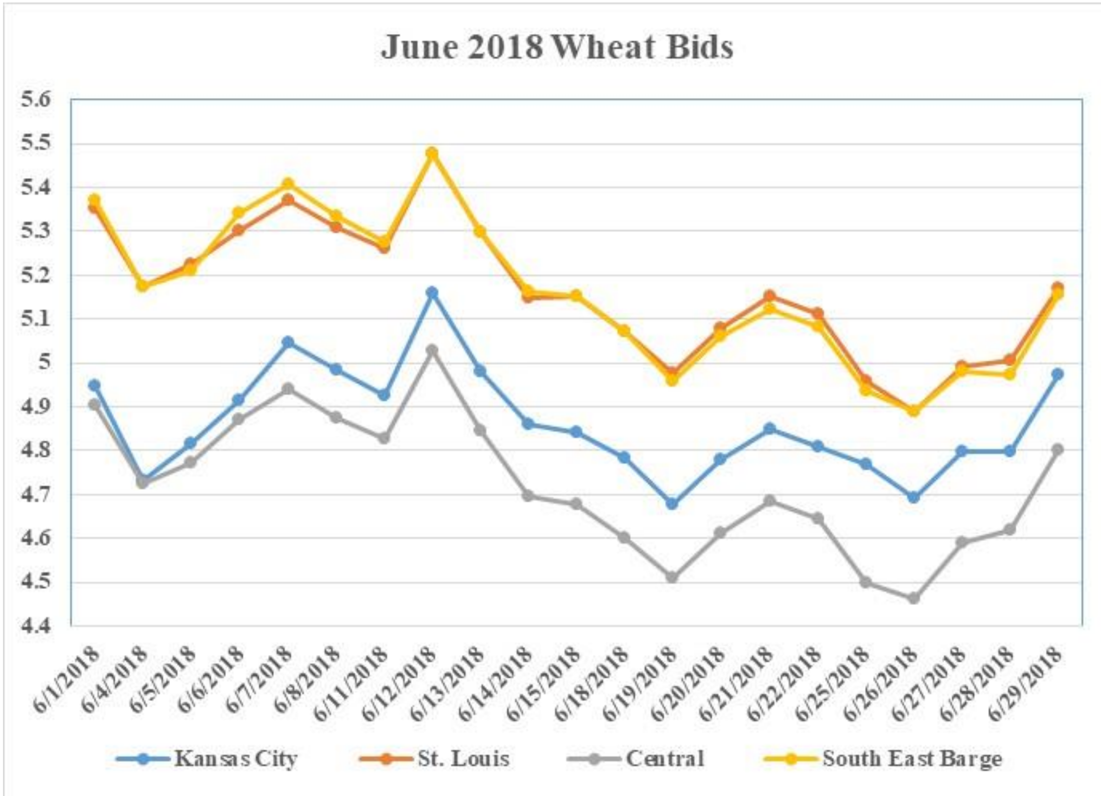
As we start getting into the summer months, markets tend to follow the weather. If there is some good weather, the markets like to go the opposite direction. The latest drought monitor has included the majority of the state, even though there were a couple of rounds of much needed precipitation the last part of June. Industry analysts kept talking about the great start to the growing season and are currently projecting near record yields for corn and soybeans for 2018, but it just seemed as though any rain would go around Missouri and hit the states around us. The rain that made it through Missouri was quite spotty and the state could do for some more. Though weather did have some play in the market throughout June, the big factor was the global trade dispute over tariffs. While many commodities were affected, soybean prices took a big hit.



Corn prices traded higher in April, more or less sideways in May, and trended lower in June. All of the gains that have been built up the previous two months were wiped out. There were a couple of bounces throughout June, but Missouri corn prices ended up $0.34 to $.46 lower than the previous month. High expectations for this year's crop and spillover weakness from soybeans put negative pressure on the corn market. The nation as a whole has had quite favorable growing conditions so far, but we will have to see what July brings us in terms of weather. According to the latest Crop Progress report, 52 percent of Missouri corn is rated good to excellent, compared to the 76 percent rated good to excellent in the 18 states included in the National Crop Progress. The latest USDA acreage report was released June 29, but showed what was more or less talked about the last few months. Estimated corn area planted is down one percent from a year ago at 89.1 million acres. Corn stocks are up one percent from a year ago at 5.31 billion bushels.



Soybean prices started out the month stumbling and just could not find any footing. Soybeans futures were in the red nearly every day in June. The market hit the lowest point in a year on the 15th, but unfortunately continued to tumble with very few breaks. Missouri soybeans finished June \$1.36 to \$1.61 lower than the end of May. Global trade concerns and positive weather outlooks took a big hit on the market. Concerns about foreign demand hung over the market and drove prices lower. Soybean stocks are up 26 percent from a year ago at 1.22 million bushels, according to the latest USDA grain stocks report. That number is 3 million bushels less than the average pre-report trade guess. On-farm and off-farm stocks are up 13 and 33 percent, respectively. Estimated soybean acres planted is at 89.6 million acres, down 1 percent from a year ago, according to the USDA Acreage and Grain Stocks report released June 29. For the first time in 35 years, soybean plantings overtook corn plantings. The latest Missouri Crop Progress report shows 96 percent of soybeans are emerged and 27 percent are blooming. The National Crop Progress included 71 percent in the good to excelling rating, slightly lower than last week, but is the second highest since 1999.



Wheat harvest got off to a good start for this year. Missouri closed out June with 85 percent of the state's wheat harvested, slightly behind last year's pace. Wheat prices were quite uneven in June and could not avoid the downward pressure from soybeans and corn. Missouri wheat closed out June $.07 to $.23 lower than May. Concerns about crop condition and drought throughout significant wheat production areas helped the market, but spillover weakness kept having effects on wheat prices, as well as large world supplies and long liquidation. The latest USDA Acreage and Grain Stocks report showed that the estimated all wheat planted is at 47.8 million acres. Even though that is slightly higher than last year, it is the second lowest since 1919, when records were created.

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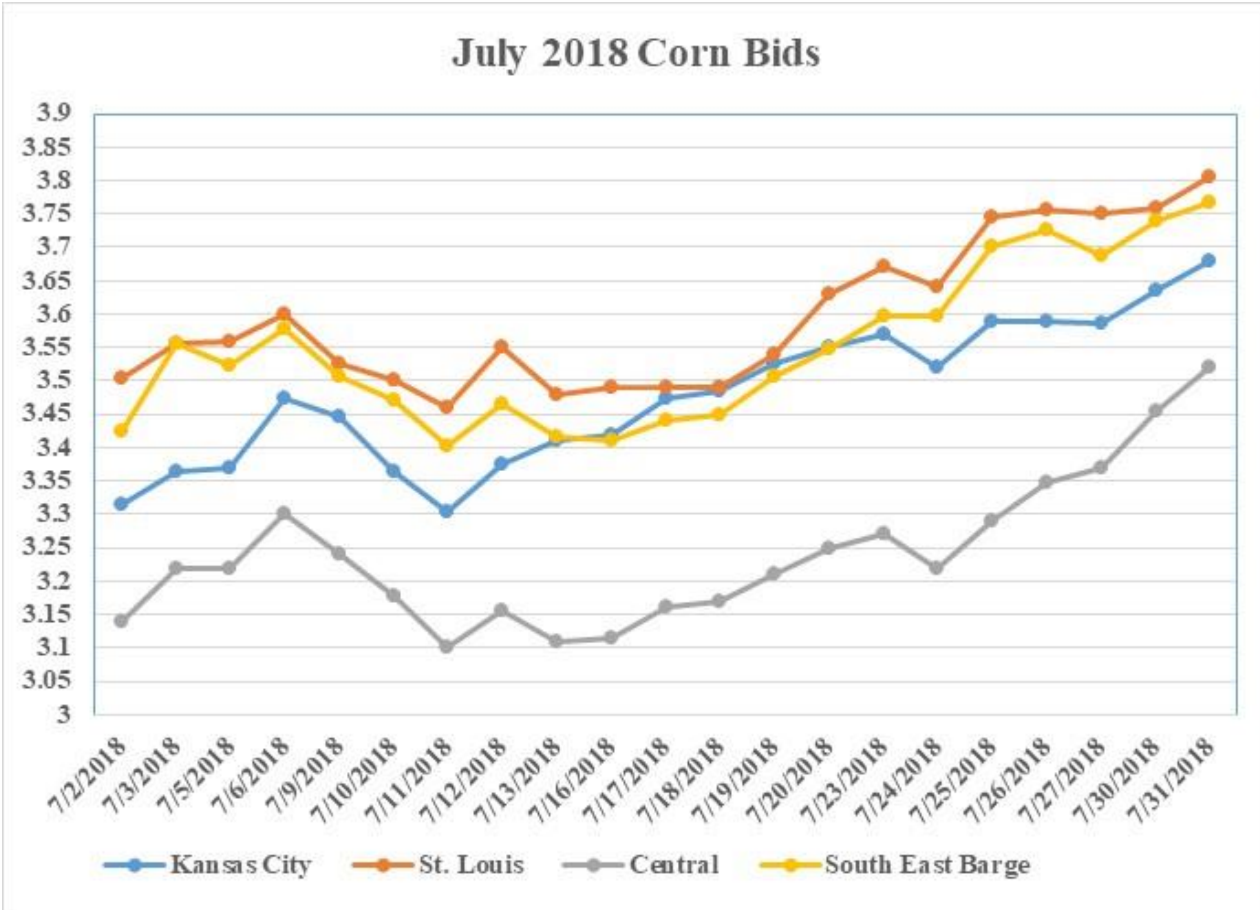
Monthly Grain Crop Review

July 2018

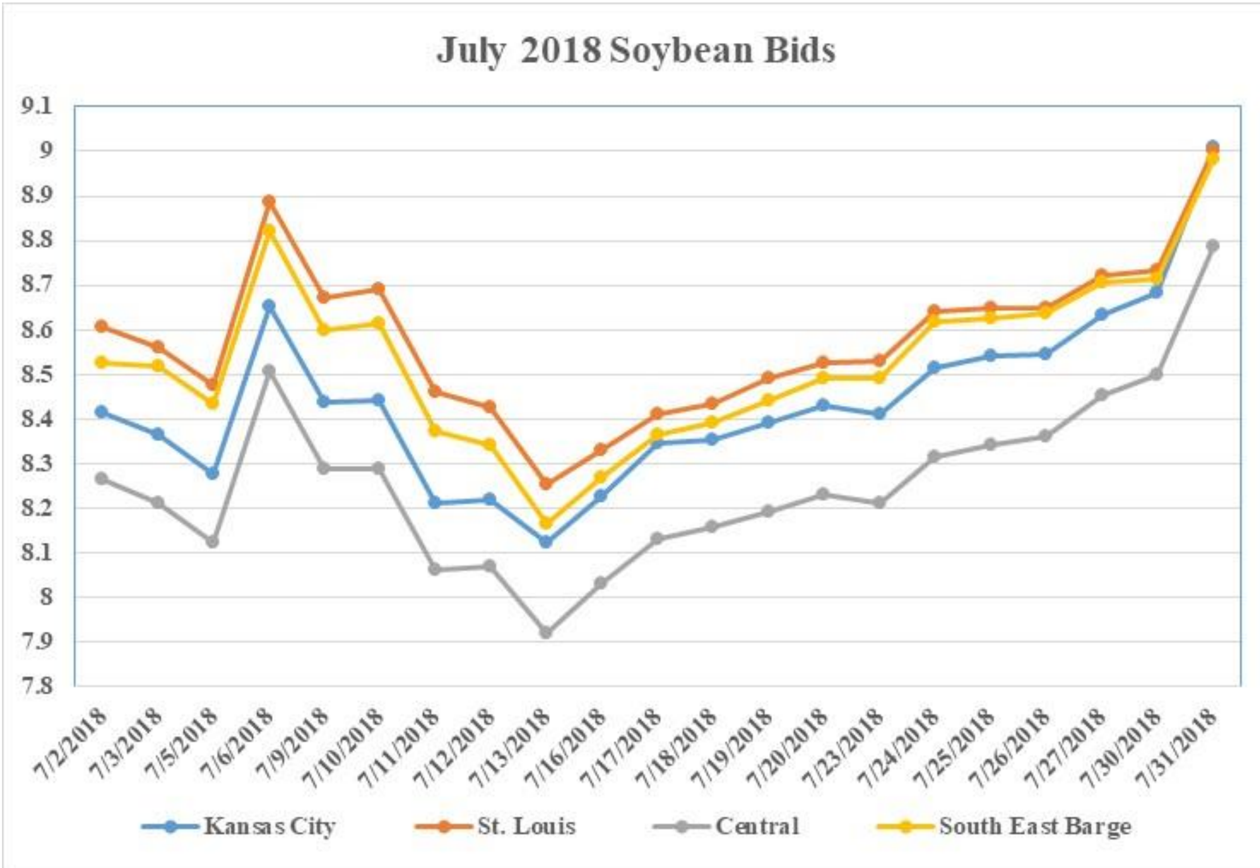
Jefferson City, MO   Thu Aug 02, 2018   MO Dept of Ag/USDA Market News

Typically at this point in the growing season, markets are concerned with supply: how the weather will impact potential yields, if there is too much or too little precipitation, as well as the right temperatures for pollination and growth. Corn pollinates and soybeans bloom and set pods throughout July in Missouri. This is why weather months are usually a big factor when it comes to the grain markets. However, we really did not see the normal swings related to weather in the market. The nation as a whole has had quite a nice growing season so far in terms of moisture and amount of sunshine. Large portions of the Corn Belt have been reporting exceptional conditions. The latest USDA Crop Progress Report rated the 18 major corn states at 72 percent good to excellent and the beans were rated 70 percent good to excellent. Although some precipitation made its way through parts of Missouri, the latest drought monitor released on August 02, shows that nearly 95 percent of the state ranges from D0 (abnormally dry) to D3 (extreme drought), compared to 85 percent and 42 percent from the previous week and year, respectively. The portion classified as D3 is in north central and northwest Missouri. The national drought monitor classified 54.42 percent of the nation in D0 (abnormally dry) or worse. Areas most affected in the Corn Belt are large percentages of Missouri, Kansas, Michigan, and Wisconsin.

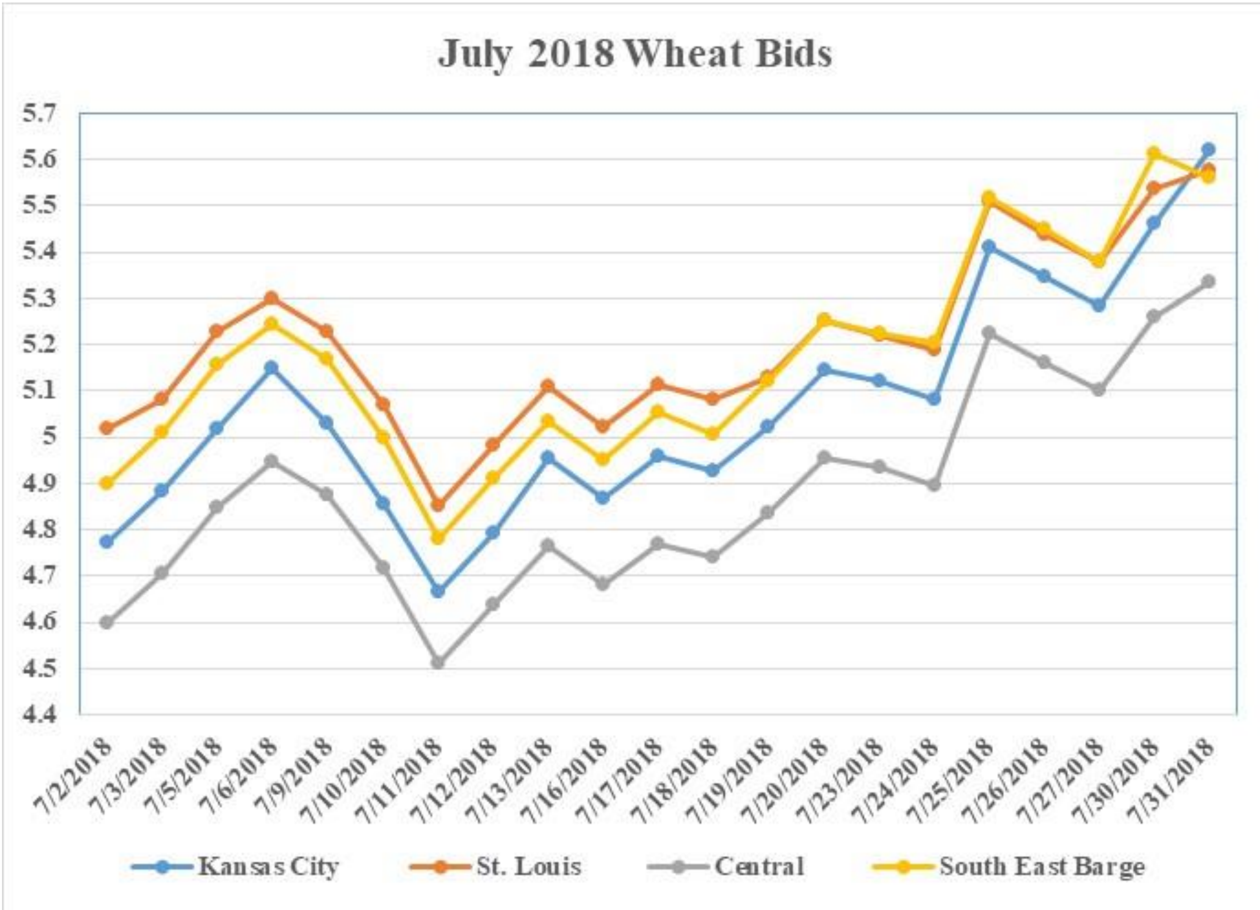
While weather markets have not really been an issue for the nation as a whole, tariff talks and implementation had effects on the markets. Traders and producers have been concerned with demand, particularly foreign demand. U.S. and China implemented tariffs on July 6, but the markets had been preparing for them the previous several weeks. Any weather issues, that are usually a positive sign for grain markets, were disregarded by traders, due to the world trade concerns.



Missouri corn bids were a little more volatile during July than they were in June. However, there is an obvious overall upward trend for the month. The average for Missouri corn in July was 3.47, 12 cents lower than June's average. Corn prices felt some spillover weakness or strength from soybeans, depending on the day. Although, the big strength for corn prices was the good export news. The forecasted demand for this fall has remained strong, with the export potential being a big factor in the stronger prices. The WASDE report for July stated that corn production is expected to increase by 190 billion bushels due to increased planted and harvested acres. However, projected exports were increased by 125 million bushels based on "expectations of reduced competition from Argentina, Brazil, and Russia". Only 33 percent of Missouri corn is rated good to excellent, according to the latest crop progress report. When comparing to last year at this time at 61 percent rated good to excellent, there is no doubt that the Missouri corn crop needs some relief. In some areas, fields have already been considered a loss for this growing season. However, the rest of the Corn Belt is seeing strong corn ratings and industry analysts are saying that if the good weather conditions persist, record corn levels could be seen.



After the steep nose dive in June, Missouri soybeans tried to gain some ground back during July. The average for July soybeans was 8.45, 71 cents lower than June's average. The soybean market had been preparing for several weeks for the Chinese tariffs that went into effect on July 6. With that being a holiday week, there were some volatile swings, due to uncertainty in the market. Paring the global tariff concerns with multiple countries and the cancelled bean shipments to China, the following week had a hard fall that took the rest of the month to recover. Weaker than expected crop ratings boosted the market. Crop conditions declined in most states, and the continued drought in Missouri is affecting crops. The latest crop progress report, released July 30, rated only 40 percent of Missouri's soybean good to excellent, compared to 48 percent the previous week and 65 percent last year at this time. Pests have also been a problem in soybean fields, but no one can deny the lack of rain has been a big factor. The 2018/2019 soybean production increased 30 million to a projection of 4.310 billion bushels, according to July's WASDE report. Soybean acreage was up slightly, but forecasted soybean yields are unchanged at 48.5 bushels per acre.



According to this month's WASDE report, projected wheat supplies in the U.S. were increased to 74 million bushels, due to increased beginning stocks and higher production. However, foreign wheat supplies for 2018/2019 were decreased predominantly due to production declines. Weather related issues in Europe helped with some short term support. There are areas in Europe that were expecting a drop in yield levels, but harvest appeared to be better than what was initially reported. There are some remaining concerns about production in Europe that kept the wheat market moving in an optimistic direction. Missouri wheat had an average of 5.08 in July, a dime higher than June's average price.

*Sets of data for the graphs are from the Missouri Grain Cash Bids report that is published daily. Only dates in which markets are trading are represented.

Source: MO Dept of Ag/USDA Market News Service, Jefferson City, MO
Caroline Tyler-Carter, Market Reporter, (573)751-5618

Monthly Grain Crop Review

August 2018

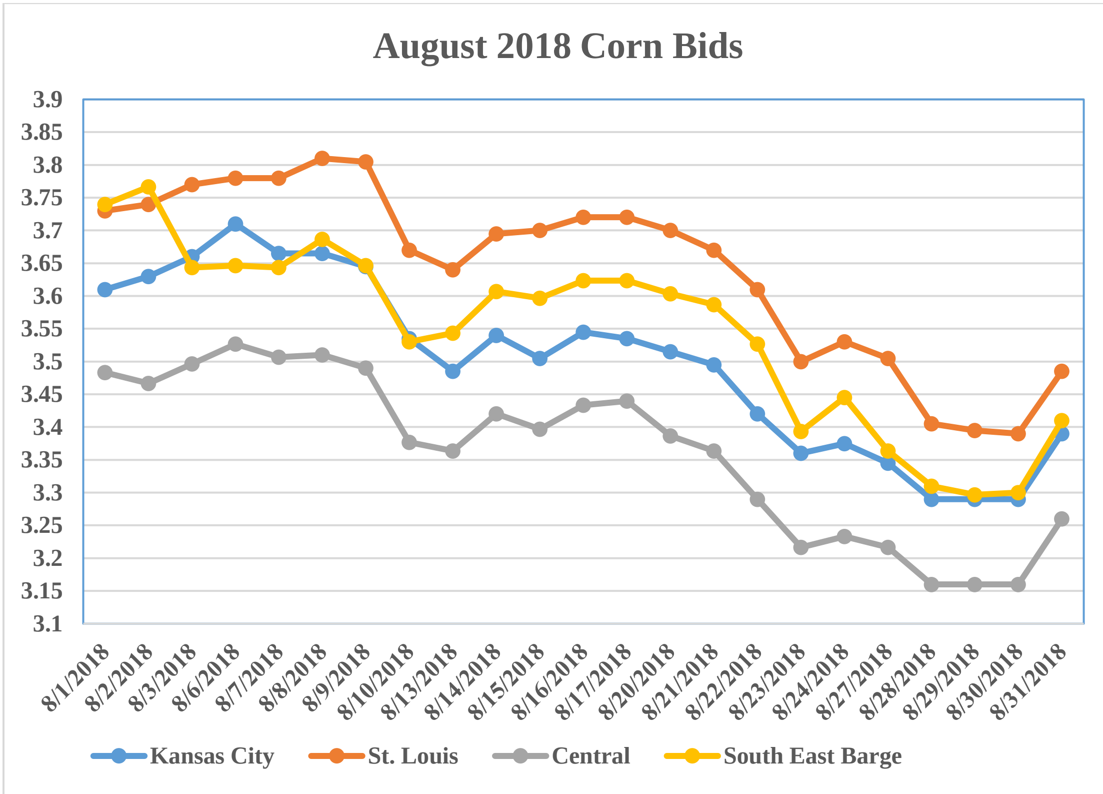
Jefferson City, MO   Tue Sep 04, 2018   MO Dept of Ag/USDA Market News

USDA released their estimated 2018 corn and soybean production numbers on August 10. This report is based on surveys of farmers and their fields. The industry had been preparing for a large crop all summer, as weather conditions have been pretty favorable throughout most of the Corn Belt. Although industry analysts, traders, and farmers were expecting a higher forecasted production, they weren't prepared for the numbers that were presented. USDA increased each of the crop's forecasted national yield, which were above the average trade guesses. However, the yield estimates measure the potential of the crop at that time, and there are still some time left in the soybean season. Nebraska, Ohio, Illinois, Indiana, North Dakota, and South Dakota are expected to have higher corn yields than in 2017. Iowa yields are expected to be somewhat unchanged. Missouri, Kansas, and Minnesota are expected to have lower yields than last year, where there has been drought. The WASDE forecasted corn production at 14.6 billion bushels, only slightly lower than last year. The estimated average corn yields are 178.4 bushels per acre, which is 1.8 bushels more than 2017. If this comes to fruition, it will be the highest yield on record. The average trade guess before the report was 176 bushels per acre. Estimated soybean production was at 4.59 billion bushels, which is four percent more than 2017, and yields are forecasted to average 51.6 bushels per acre, 2.5 bushels per acre more than last year and up from July's guess of 48.5 bushels per acre. The average trade guess before the report was 49.6 bushels per acre. USDA estimated 2018 U.S. wheat at 1.025 billion bushels. While traders and industry analysts continue to discuss the size of this this year's crop, there has yet to be any evidence that production will be too far from the estimates from USDA.

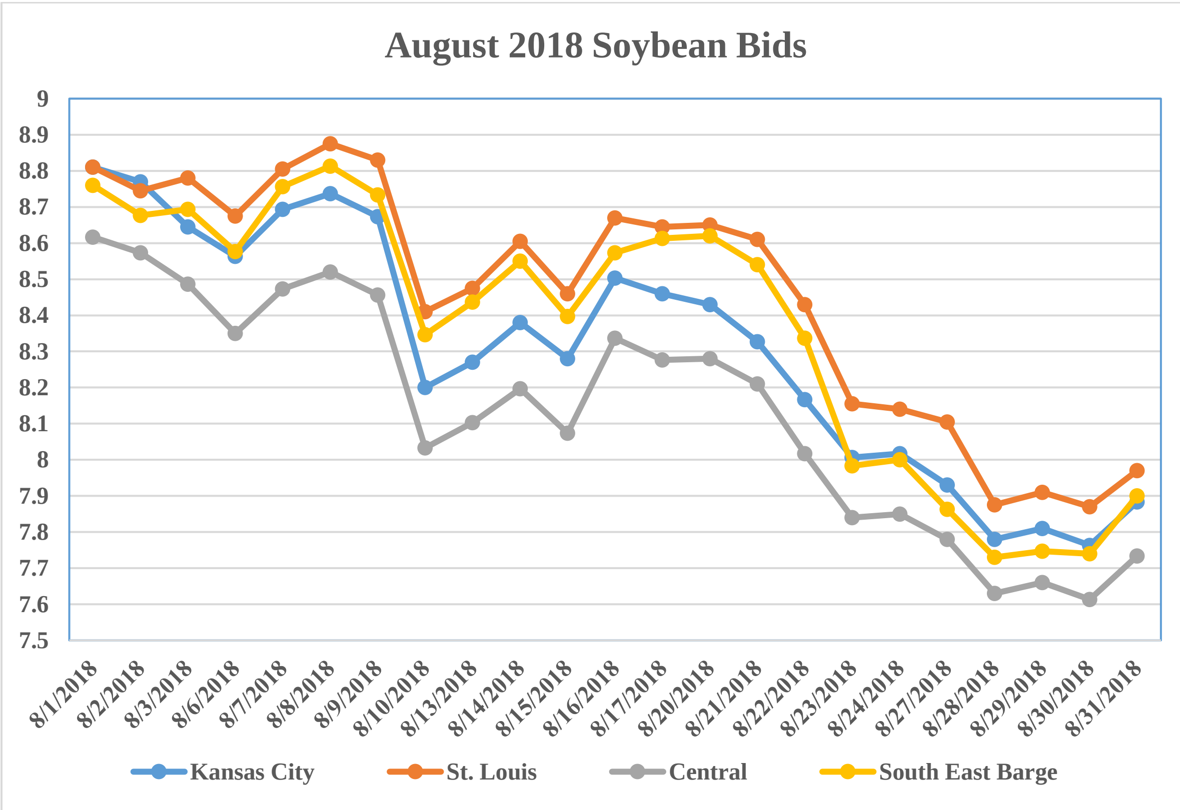
The DTN/The Progressive Farmer 2018 Digital Yield Tour kicked off mid-August. This is the first year this technology (Gro Intelligence) has been used, so there is no data to compare to last year's actual numbers. It was a digital look at the potential yields for Illinois, Indiana, Iowa, Kansas, Minnesota, Missouri, Nebraska, Ohio, South Dakota, and Wisconsin. The real-time yield maps were created using data from satellites, rainfall amounts, temperature, as well as other public data. The estimated yields from the maps were below the USDA estimates at 174.4 bushels per acre for corn and 51.6 bushels per acre for soybeans.

The Pro Farmer Midwest Crop Tour kicked off during August, as well. Samples were pulled to be able to get accurate data for a larger geographic area. There are "good crops in the Corn Belt and we have known for a long time." The prediction for national corn yield is at 177.3 bushels per acre and estimated soybean yield is at 53.0 bushels per acre. One thing noted was that there is still a lot of old crop corn in the bins.

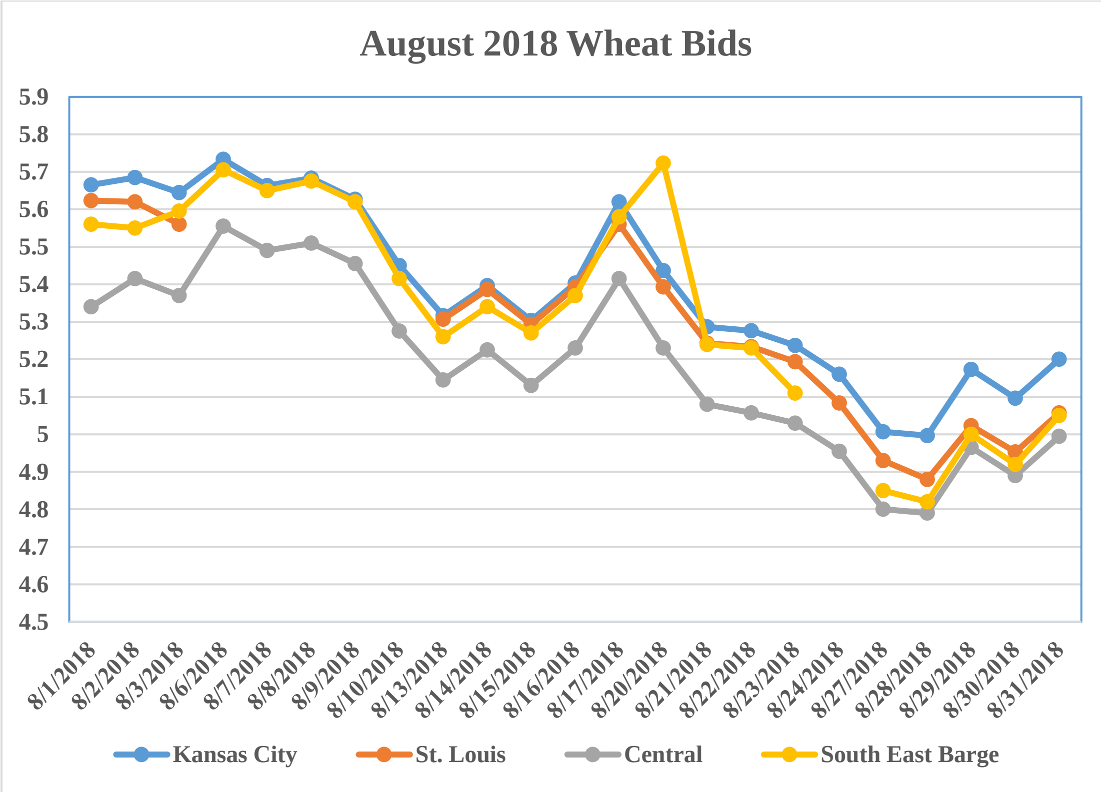
Looking at fields closer to home, updates have unfortunately been consistent. Missouri crops have seen damage from the lack of moisture this summer. Dry conditions have been causing challenges for cattle producers and grain producers. Although, there were several rounds of rain the last part of August, it was too late in the growing season for corn and some fields had already been appraised by insurance adjusters. There is no doubt that the yield monitor in the combine will show quite a variety of numbers. Some producers have already kicked off corn harvest, testing out moisture levels. Driving down the road and seeing hay equipment behind the combine really puts into perspective how hard the drought has hit all aspects of the farm. The latest drought monitor released August 30 showed some improvement, especially in north and northeast Missouri, where there were some heavy rains. 83.37 percent of Missouri is feeling some degree of drought, compared to the 88.32 percent from the previous week. Parts of northwest and central Missouri are still classified as D4 (exceptional drought) but the areas have been decreased.



The average corn price for August was 3.51, only a penny more than July's average corn price in Missouri. There was not very much green on the board for corn throughout August, except for the spike the last day of the month and bids closed about a dime higher. This was strangely similar to last year's ten to fifteen cent jump on the last day of August 2017. The slight increase at the beginning of the month was due to the increased export demand numbers, as well as the slight downgrade that USDA gave to crops on August 7 in the Crop Progress Report. The latest Crop Progress report shows Missouri's corn condition is rated 29 percent good to excellent, compared to 67 percent at a national level. As explained above, corn bids fell after the WASDE report and kept feeling the pressure throughout the month. Some technical buying and selling caused a couple of bounces, but the overall trend was lower. Rain in the Midwest increased pressure on the markets, but at this point, moisture was not really a factor in helping out Missouri's yields. Gro Intelligence maps (from the DTN/The Progressive Farmer 2018 Digital Yield Tour) of Missouri showed average corn yields ranging from 59 to 138 bushels per acre. Excessive heat and lack of rain caused pollination issues. In some areas, corn yields started from zero because the fields have already been cut for silage. Places that have gotten some moisture increased the corn yield estimate.



Soybean bids had quite a volatile month. The average Missouri soybean bid was 8.32. However, the vast majority of soybean bids were below the eight dollar mark as we closed out August. Grain markets usually decline as harvest approaches, but there were some other factors that also contributed. The big drop off on August 10 was from the estimated production numbers from USDA. There were a few jumps due to increased positive trade talks, especially after the bearish WASDE report on August 10. Markets got excited about potential trade talks then fell when there was a hint of negotiation taking too long. Traders were discussing the potential for increased non-Chinese demand, due to the cheap prices in the United States. A talking point that was confirmed the last part of August was the $1.65 per bushel on fifty percent of production to farmers to offset some of the negative effects of the Chinese sanctions against U.S. soybeans. However, the trade issues, favorable weather conditions at a national level, as well as the large potential crop have continued to pressure the market. The latest crop progress report rated 43 percent of Missouri soybeans good to excellent, compared to 66 percent at the national level.



Volatility from the soybean market spilled over into the wheat market throughout August. The average Missouri wheat bid was 5.30, slightly higher than July's average of 5.27. Wheat bids spiked mid-month due to news about Russia considering decreasing exports. This caused notions of U.S. wheat gaining some demand due to the lower production overseas. The EU crop monitoring service decreased their yield forecasts by 1.7 bushels per acre to 84.8 bushels per acre. This was largely due to the hot, dry weather they have received the last several weeks.

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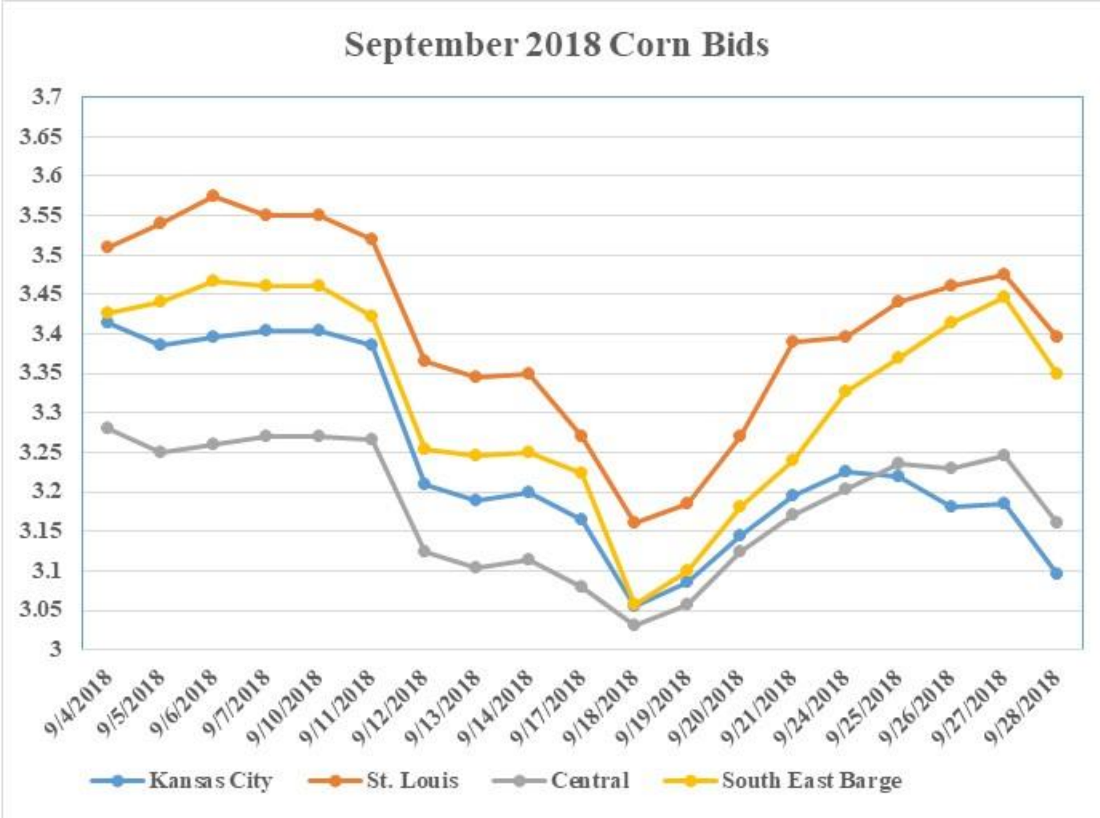
Caroline Tyler-Carter, Market Reporter, (573)751-5618

Monthly Grain Crop Review

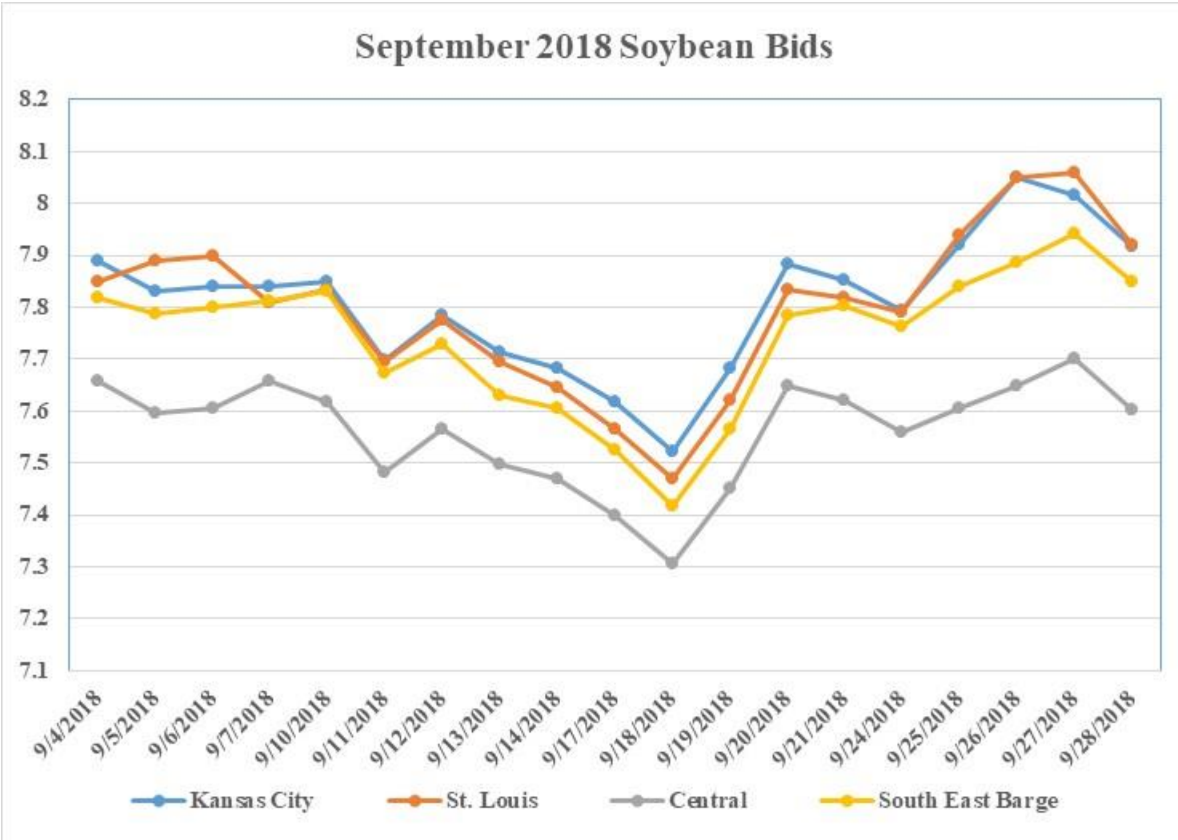
September 2018

Jefferson City, MO   Wed Oct 03, 2018   MO Dept of Ag/USDA Market News

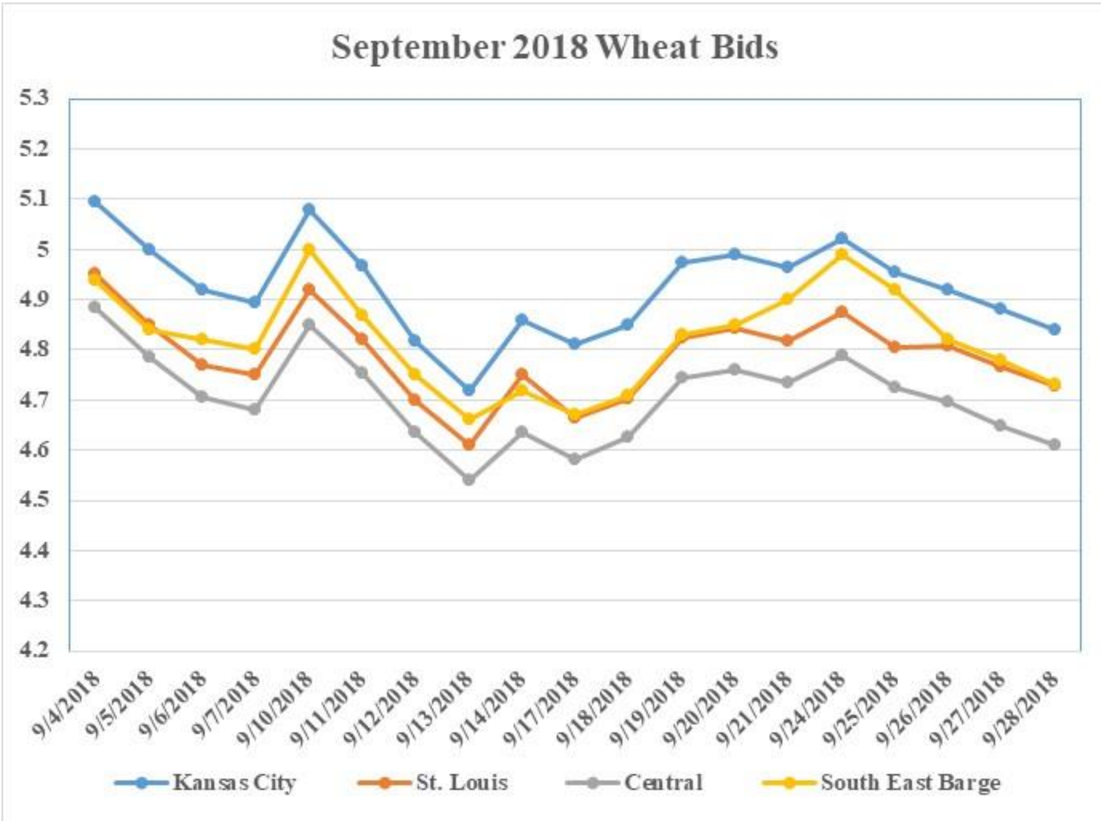
Harvest season was fully underway as we closed out another September. Driving down the road, many corn fields have been combined and put into storage. Farmers have started switching over to beans in places that have reached optimal moisture, either done with corn harvest, wanting a jump on beans, or waiting on moisture levels on late corn. The national crop progress report continues to suggest that crops on a national level are still in good condition. The latest national crop progress report, for the week ending September 30, stated corn condition remained unchanged from the prior week at 69 percent rated good to excellent. It was the same story for the soybean condition, unchanged at 68 percent rated good to excellent. The idea of a record crop continues to loom over the grain market, but with only 26 percent and 23 percent of corn and soybeans, respectively, harvested, there is still some room for some surprises in those areas with yield variability. Missouri's Crop Progress report showed 65 percent of the state's corn has already been harvested. That is well ahead of last year's and the five year average pace at 42 percent. The corn that is waiting to be combined has a crop condition of 28 percent rated good to excellent. It is not much of a surprise how far behind Missouri's crop condition is than the national corn crop condition. There were many hot days and nights that Missouri corn had to deal with, along with trying to grow during a drought. Only 11 percent of Missouri's soybeans have been harvested, as of the week ending September 30. Missouri's soybeans condition are rated 44 percent in the good to excellent category. Some winter wheat has been planted, at 7 percent. There was some rain that came through the Midwest mid-September that caused some harvest delays. However, Missouri's soybeans enjoyed some increase to condition due to the rain. The U.S. drought monitor released September 27 showed another week of decreased drought for the sixth consecutive week. Drought is mostly concentrated on the west side of the U.S., although there are still some lingering spots in Missouri, Kansas, and the Dakotas. The most recent drought map for Missouri shows 63.35 percent of the state is affected by some sort of drought, compared to 68.93 percent from the week before. There are a few lingering spots of D3 Extreme Drought in northwest and central Missouri, as well as a small spot of D4 Exceptional Drought in northwest Missouri.



The September corn market in Missouri started off with some sideways trade, as everyone was waiting in anticipation for this month's WASDE report to be released on September 12. The drop on the 12th was largely due to the quite bearish report. The general expectation was news of a large corn crop, as has been all growing season. The larger than expected yield increase caused a sharp decrease in the market. The estimated corn production increased 241 million from last month's numbers to 14.827 billion bushels. The increase in the corn production forecast was due to the increased yield forecast at 181.3 bushels per acre. That is 2.9 bushels per acres more than August's estimate of 178.4 bushels per acre, and well ahead of the 2017 national average of 176.6 bushels per acre. In the 18 states that produce the majority of the nation's corn crop, Illinois, Iowa, Nebraska, Indiana, Ohio, and South Dakota are projected to have record high yields. As supply is expected to increase more than use, ending stocks for corn were increased 90 million bushels from the previous month to 1774 million bushels. Feed and residual use was increased by 50 million bushels and total domestic use increased 75 million bushels to 12.705 billion bushels. Corn prices will be dependent on consumption and foreign demand throughout the marketing year. In the overseas markets, the EU, Angola, Paraguay, Turkey, and Serbia are expected to have higher corn production, contributing to the global grain production forecast being increased by 5.1 million tons to 1.3472 billion tons. Canada, South Africa, and Guatemala are expected to have production decreases. Outlooks of a bumper crop continued to weigh on the market, as well as harvest progression, and the corn market hit a low mid-month. Corn grasped at some spillover strength from soybeans and wheat. Bullish export data and some short covering helped push corn higher the last part of September, but gains were capped by the large national harvest that is in the back of everyone's mind. USDA reported corn exports at a total 54.9 million bushels; 54.5 million bushels were in old crop sales and 400,000 bushels were new crop sales. The total exports were way ahead of the trade estimates of 33.5 million bushels and almost doubled from the previous week's exports of 27.6 million bushels. The increased export demand kept the rally alive and encouraged more short covering. The quarterly grain stocks report was released September 28. Old crop corn stocks in all positions as of September 1 was down 7 percent from last year at 2.14 billion bushels. Off the 2.14 billion bushels, 620 million bushels are stored on farms, and 1.52 billion bushels are off-farm stocks, down 21 percent and up 1 percent from a year ago, respectively. Missouri's corn stocks in all positions totaled 51.5 million bushels, 13 percent less than last year.



Similar to corn bids, soybean cash bids started the month off trading sideways, the soybean market didn't have quite the drop-off that the corn market did after the WASDE report was released. USDA forecasted soybean production at 4.693 billion bushels, up 107 million bushels from last month. The record soybean yield is forecasted at 52.8 bushels, slightly higher than August's forecasted yield of 52.3 bushels per acre. Exports were forecasted at 2.130 billion bushels, up 20 million bushels, due to trade data throughout July and August export inspections. Soybean crush increased 15 million bushels, causing projected ending stocks to decrease 35 million from last month's report to 395 million bushels. Soybeans continued to be sensitive to any news regarding the U.S. and China trade negotiations. The twofold pressure from crop expectations and overseas trade relations continued to pressure the market until there was relief found mid-month. Strong export demand pushed soybeans higher with a jump of about 35 cents in two days for cash prices. Export data released that week (from the previous week) included 33.7 million bushels of old crop and 2.9 million of new crop to a total of 36.7 million bushels. That was much higher than the trade guess of 23.9 million bushels and ahead of the prior week of 25.8 million bushels. The lower soybean prices had attracted new demand, even though it wasn't Chinese demand. Another factor that may have helped the soybean market was talks of Argentina increasing export taxes. Soybeans cooled off a bit after the sudden hike due to some technical selling and tried to hold onto a rally to close out the month. Concerns about harvest delay and some South American demand, as well as a big sale to Mexico encouraged prices at the last part of the month. The main source of the decrease the last part of the month was the quarterly grain stocks report. Trade analysts expected about 401 million bushels of soybeans. USDA reported 438 million bushels of old crop soybeans in all positions on September 1, 2018, up 45 percent than September 2017. Of the total amount, 101 million bushels are stored on farms, up 15 percent than last year. Off the farm stocks were up 58 percent from last year at 337 million bushels. Missouri soybean stocks in all positions totaled 19.783 million bushels, 26 percent more than last year.



While wheat isn't a huge concern for Missouri this time of year, prices tend to find spillover strength and weakness from the soybean and corn markets. Some planting has taken place in Missouri, following up on this year's fast paced corn harvest. Concerns about shrinking global supplies and coming off of losses at the beginning of the month, as well as some bargain buyers, encouraged a market bounce. Wheat markets have been on a declining trend since mid-August due to talks of Russia increasing exports. Downward pressure continued with prospects of low export demand and the WASDE report released September 12. USDA reported global wheat supplies to increase 4.7 million tons, due to a 3.4 million ton production increase. Russian wheat was increased 3.0 million tons, based on current harvest data and the good weather conditions for spring wheat. Wheat production in India was increased to 99.7 million tons, a record. Canada and Australia were decreased by 1.0 million tons and 2.0 million tons, respectively, due to dry conditions that have been seen during the growing season. The quarterly grain stocks report that was released September 28 indicated that wheat in all positions as of September 1, 2018 were at 2.38 billion bushels, a 5 percent increase from September 2017. Wheat stored on the farm was estimated at 631 million bushels, up 28 percent, and off-farm stocks totaled 1.75 billion bushels, down 1 percent from last year. Missouri wheat stocks in all positions totaled 35.024 million bushels, approximately 14 percent less than last year.

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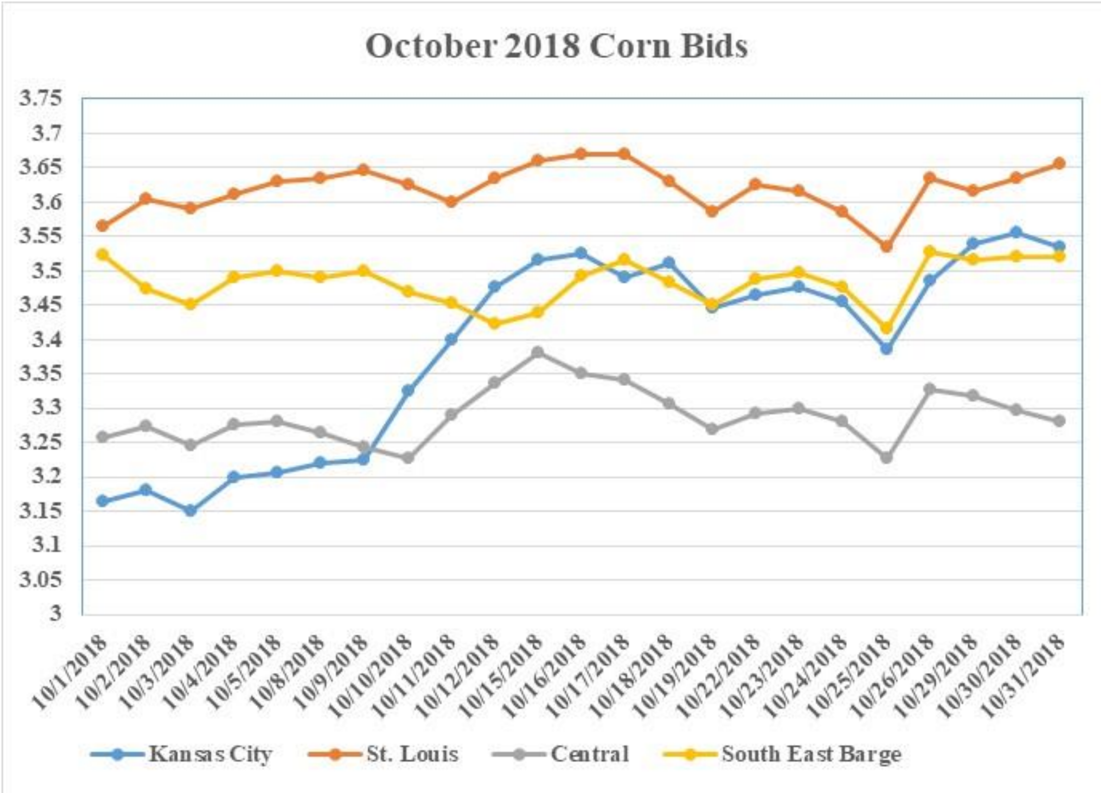
Monthly Grain Crop Review

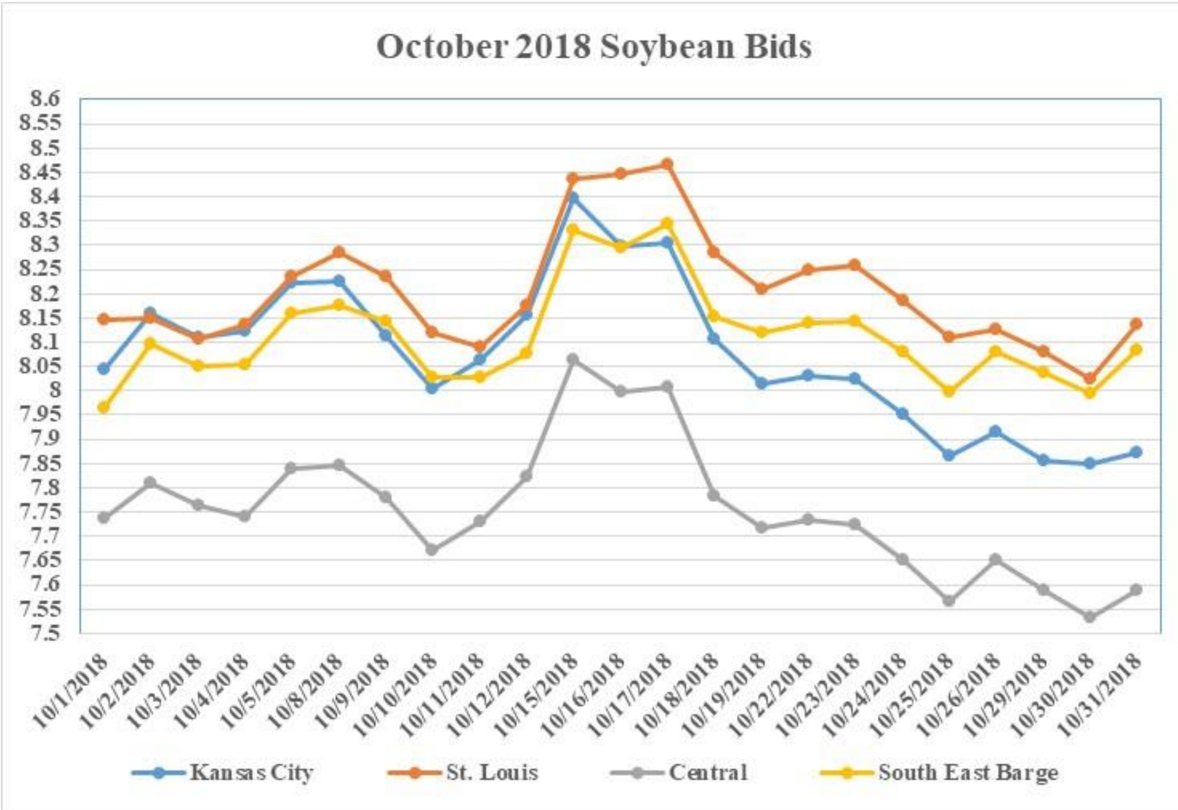
October 2018

Jefferson City, MO   Thu Nov 01, 2018   MO Dept of Ag/USDA Market News

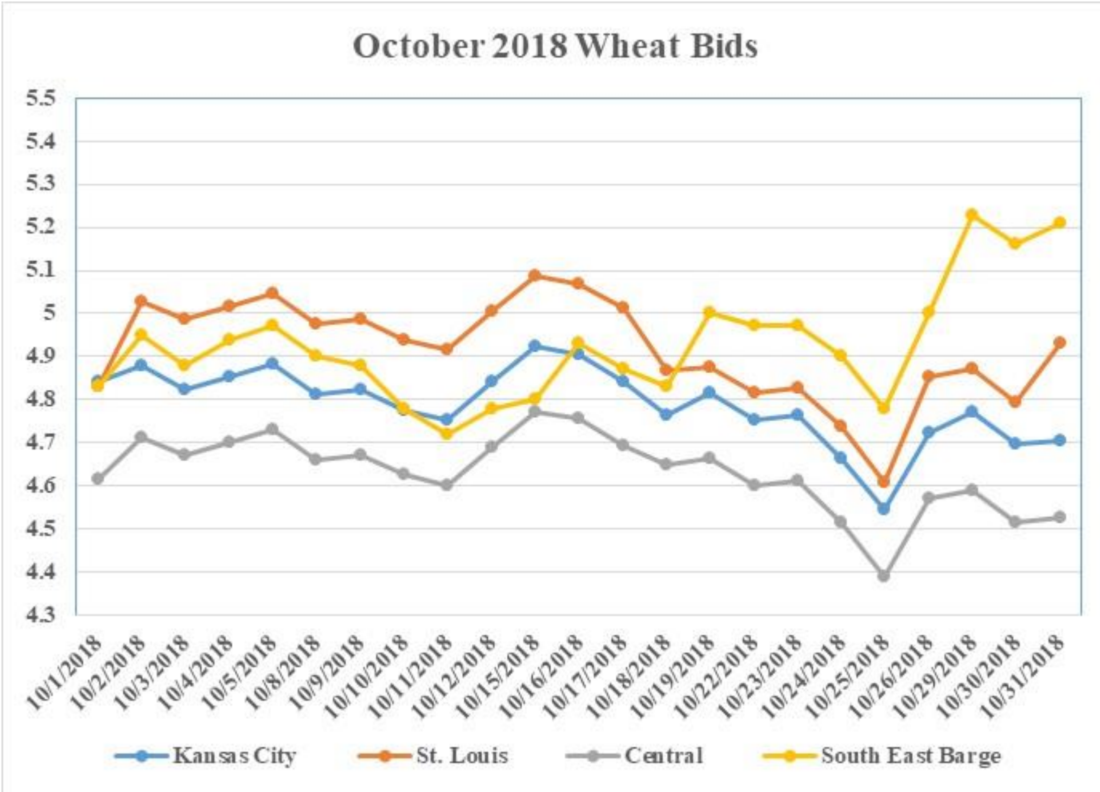
You would be hard pressed to find many fields left with corn standing. Most producers have been hard at work, trying to get grain into bins. As of week ending October 28, 90 percent of Missouri's corn had been harvested. That was a five percent increase from the week before, well ahead of last year's pace of 78 percent and the five year average of 83 percent completed. The national crop progress report showed that the 18 major corn producing states are 63 percent into corn harvest. States in the Corn Belt had several days throughout October with harvest delays due to precipitation, causing some combines to idle and wait for fields to dry out. Missouri soybean harvest is coming right along. Producers harvested 18 more percent during the last week of October, with 51 percent of Missouri soybeans harvested as of October 28. Of the soybean fields that are left, 47 percent are rated good to excellent condition. Looking at nationwide data, 72 percent of U.S. soybeans have been harvested. Missouri producers have planted 49 percent of their winter wheat, compared to 78 percent at a national level. The U.S. drought monitor continued to show improvement, as it has the last couple of months. Only 36.59 percent of the nation is included in the latest drought monitor, released November 1. Missouri's drought monitor improved slightly, as well. While there is slightly less amount of area affected by drought, the amount classified as D1 Moderate Drought decreased again this week, particularly in southwest Missouri. Trade progress with NAFTA, now evolved to US-Mexico-Canada Agreement (USMCA), helped encourage the grain markets at the beginning of the month. Although harvest is starting to wrap up, there were some harvest weather concerns throughout October and was bullish or bearish, depending if there were delays or lack of harvest delays.



Overall, the corn market in Missouri trended upwards, with some sideways trade and a couple of spikes in either direction along the way. Corn supply has been relatively established since harvest is starting to wrap up, so focus is now turning to demand. Some harvest delays due to rain cause some bullish market activity, but the major delays were mostly outside of Missouri. Bearish export data was mostly what caused the dip on the 25th and corn enjoyed a technical bounce the following day. The October WASDE report, released on the 11th, took the market by surprise by lowering production and increasing exports. 2018 US corn production was decreased from September's estimate of 14.827 billion bushels to 14.778 billion bushels. This was due to the reduced yield estimate from 181.8 bushels per acre from last month to 180.7 bushels per acre. Trade analysts were expecting those numbers to increase. We have been hearing about the potential record breaking corn production all year and this news took the industry by surprise. While the decreased production numbers were a welcomed sight, the potential market jump was capped by the reduced feed and residual use, as well as the larger ending stocks. Feed and residual use was decreased by 25 million bushels to 5.550 billion bushels. Ending stocks are estimated at 1.813 billion bushels. Corn supplies are estimated to be record breaking, with an increase from September's estimate of 1.774 billion bushels to 1.813 billion bushels. While that was an increase that was expected, it is not as large as the industry analysts expected. Taking a closer look at Missouri, the average corn bid across Missouri in October was 3.44, about 16 cents more than September's average and surprisingly almost 30 cents more than bids from a year ago.



The soybean market continues to be concerned with overseas trade issues and domestic supply. Year to date inspections for China are significantly lower than last year and the unrelenting trade issues continue to cause a hindrance on the market. China normally has their biggest purchases this time of year and many trade analysts agree that will largely be from South America. Brazil's soybean planting rate has been fast paced, paired with China lowering protein content in animal feed, the soybean market took back all of the gains and then some from the sharp increase mid-month. The October WASDE report was quite surprising and caused some spikes in the market after it was released, especially in the soybean market. U.S. soybean production was estimated at 4.690 billion bushels, compared to 4.693 billion bushels in September. This was quite a bit lower than what trade analysts expected. The average industry guess was over 4.70 billion bushels. Soybean bushels per acre increased by 0.3 bushels to 53.1 bushels per acre. The industry expected the increase of bushels per acre, with the average trade guess at about 53.3 bushels per acre. The higher estimated yields were offset by the decreased harvest area. Harvested soybean area was estimated at 88.3 million acres, down 0.6 million acres. Estimated ending stocks were increased to 885 million bushels from September's estimate of 845 million bushels, due to soybean use unchanged at 34 million bushels. Some more good news that followed the WASDE was the record breaking soybean crush in September. It helped soybeans keep a rally for a couple of days. USDA reported soybean crush at 157.406 million bushels of soybeans in September. Some wet weather kept farmers out of their fields and concern for quality has been brought up. Soggy beans can make yields decrease quickly. The average soybean bid in Missouri was 8.04, over 30 cents more than September's average. Although there was an increase in prices in October, bids are trailing 1.23 from last year's bids at this time.



Wheat bids have been less sensitive to trade issues, but world supply has been on everyone's minds. The WASDE report estimated the world's ending stocks for wheat at 260.18 million metric tons, down slightly from September's estimate of 261.29 million metric tons. U.S. wheat production was increased to 1.884 billion bushels, up 7 million bushels from last month. The bushels per acre were relatively unchanged, increasing 0.2 bushels to 47.6 bushels per acre. Feed and residual use was estimated at 110 million bushels. 10 million less than a month ago. U.S. ending stocks were increased by 21 million bushels to 956 million bushels. Russia has not showed any hesitation on their wheat exports, as well. Higher than expected production in the EU paired with the news that Russia raised its estimate of wheat exports, caused a six week low in wheat prices before taking a big leap, largely due to a big sale to Egypt toward the end of October. The average Missouri wheat bid was 4.82, only a penny more than September's average wheat bid.

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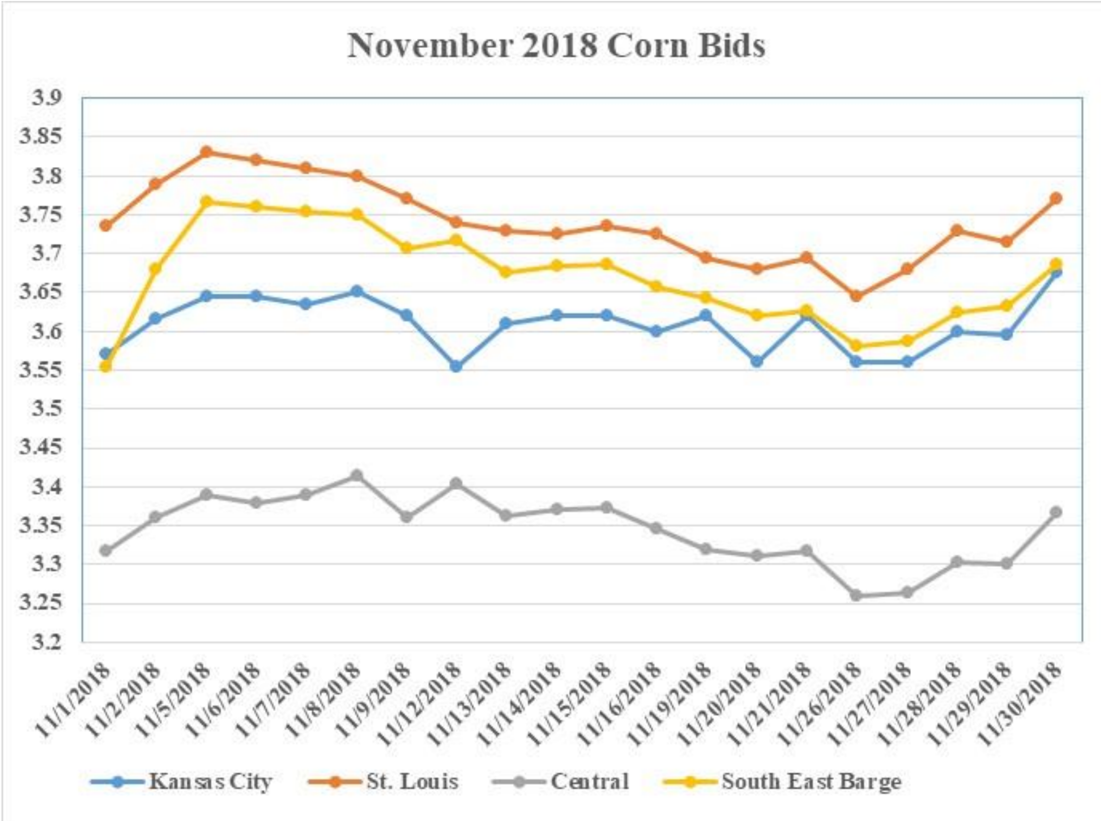
Monthly Grain Crop Review

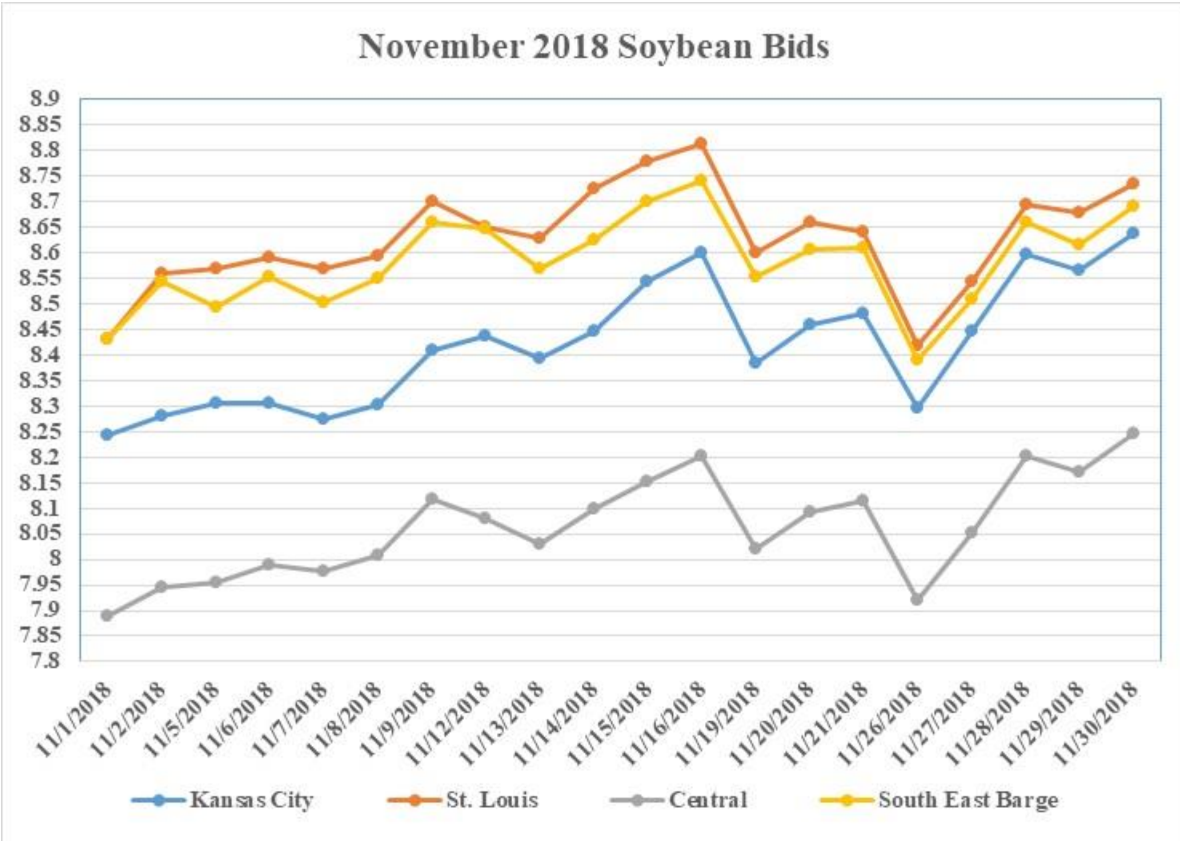
November 2018

Jefferson City, MO   Mon Dec 03, 2018   MO Dept of Ag/USDA Market News

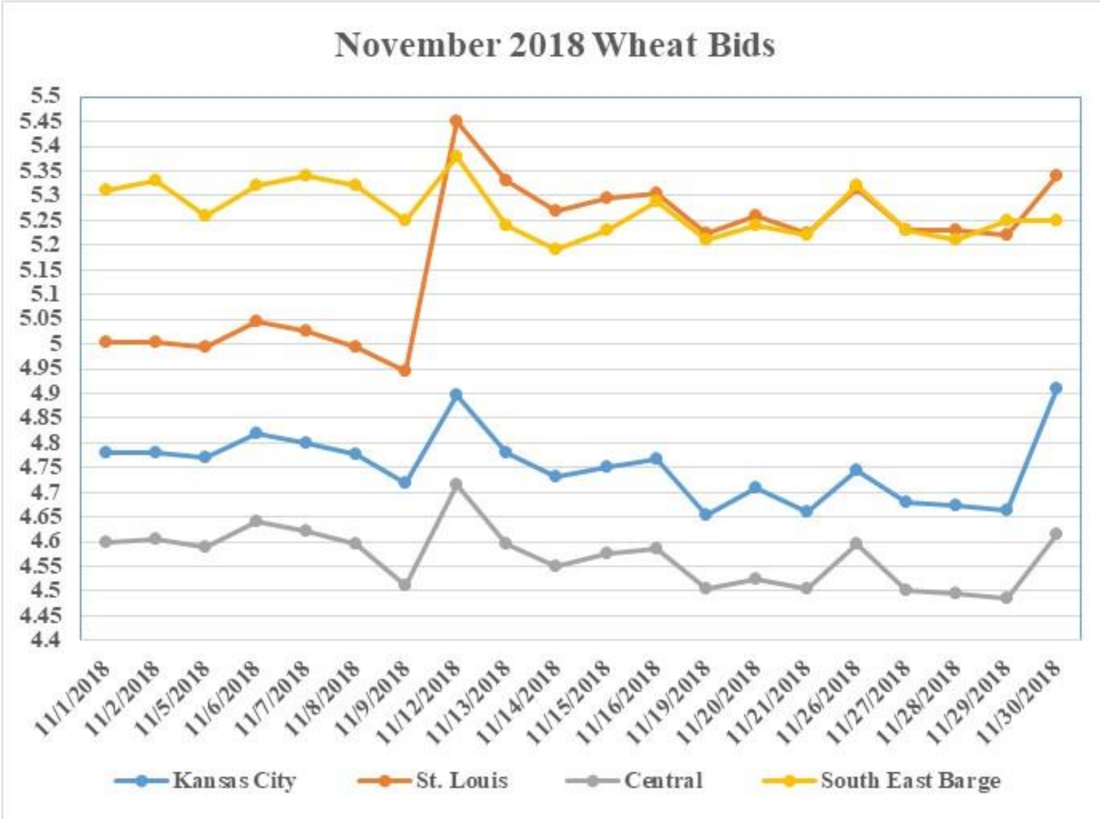
The month of November kicked off with news from President Trump about meetings scheduled with President Xi Jinping of China and the markets responded by closing higher with optimism of increased trade. The big news to end the month was the signing of USMCA by the U.S., Mexico, and Canada and the agreement of the U.S. and China to a ceasefire in the trade war. Although all three countries signed the USMCA, it must still be approved by Congress. Traders and producers alike are trying to hold back any celebrations just yet about the U.S./China dispute, or at least until there are some deals in writing. The current tariffs seem to stand as of this report, but agreements of no more further tariffs at this time show some optimism. These tariffs and threats of tariffs have wreaked havoc on the grain markets this year. While there have been some contributing factors such as weather or export news, the back and forth between the U.S. and China has played a large part in the volatility of the markets. It is a broken record of good news between the counties and grain markets are higher, then opposite. Markets were hanging on to any headline or rumor regarding the trade dispute. USDA reported nearly $840 million in farmer aid has been paid out as a result of the trade war and a second round of payments are expected in December. Illinois, Iowa, Kansas, Indiana, and Minnesota are the states that have received the most aid so far. Along with overseas trade issues, winter weather has officially moved into Missouri. Majority of producers had their corn crop out of their fields to start off November, but there were some left standing and had to be mudded out. The final USDA weekly crop progress report for this year was for the week ending November 25. In the 18 major grain producing states, 94 percent of corn and soybeans has been harvested, and 95 percent of the nation's winter wheat has been planted. It indicated that 100 percent of Missouri's corn had been harvested. Missouri soybean harvest is trailing last year's and the five year pace by nine and ten percent, respectively, at 85 percent harvested. After the precipitation moved over Missouri, some farmers are waiting for a frozen ground to finish up, or taking the chance of stuck equipment and mudding the rest of the soybeans out. Planting of winter wheat is also trailing last year's and the five year average, no doubt due to the persistent muddy conditions. Any fall tillage that still needs to be done will mostly likely have to wait until spring.



Missouri corn bids had an average of 3.59, fifteen cents more than October's average bid. Corn bids reached a high of 3.83 at the beginning of the month and mostly traded in a range of ten to twenty cents throughout the month. The latest WASDE report released on November 8, lowered U.S. forecasted production, feed and residual use, exports, and ending stocks. U.S. corn production was decreased 152 million at 14.626 billion bushels. Feed and residual use was decreased by 50 million bushels and exports were reduced by 25 million bushels. Due to forecasted U.S. corn production being reduced, ending stocks also decreased by 77 million bushels. Along with spillover strength from soybeans, harvest delays provided some bounces to the mostly quiet trade in the corn market throughout November.



Farmers have been storing soybeans, rather than selling, holding out for a stronger market. The latest WASDE report forecasted U.S. soybean production at 4.6 billion bushels, 90 million less due to lower expected yields. Soybean yields were projected at 52.1 bushels per acre, a 1.0 bushel decrease from last month. Exports were also decreased to 1.9 billion bushels, down 160 million bushels. The combined average Missouri soybean bid for November was 8.42, 39 cents more than October's average bid. The highest bid was reached midmonth at 8.82. While soybean bids broke some ground through the volatility, bids were still 1.05 lower than November 2017's average Missouri soybean bid. A thing of note is the National Oilseed Processors Association reported that their members crushed a record of 172.346 million bushels of soybeans in October. That is 11.567 million more than September and 8.104 million more than October of last year. The previous record was from March earlier this year at 171.858 million bushels. Soybeans started off the month with a strong incline, due to the positive trade news between U.S. and China. Rumors about how well the meetings would go pushed the market up or down, depending on what news was heard. South America was busy planting in November, with 40.7 percent of their soybeans planted, as of November 28. They have had a few planting delays due to weather and that helped boost the U.S. market on those days. Although they have had some weather delays, most areas that are included in the analysis are still ahead of the five year average's planting progress. Brazil farmers have been active sellers of soybeans, concerned with the U.S./China trade deal. After the news of a ceasefire between the U.S. and China, focus will more than likely be on South American weather and when their new crop will be available. Projected soybean harvested area in Brazil is at 92.7 million acres, up 6.8 percent from last year.



The average Missouri wheat bid for November was 4.94, 13 cents more than October's average and 97 cents more than November 2017's average wheat bid. The top wheat bid was about middle of the month at 5.45. USDA's WASDE report did not provide many changes for November. U.S. wheat supplies were unchanged and total use was increased by 7 million bushels. Worries over global supply caused a lower close after the report. Global wheat supplies were increased 6.7 million tons, due to increased production and beginning stocks. Global production was increased 2.6 million tons, with updated production data from China. The revisions raised China's production forecast with increased harvested area and yields. The large jump near midmonth was mostly blamed on short covering and winter wheat planting delays due to snow, as well has hopes for increased exports. Slow planting and emergence has been a concern for U.S. wheat. There was also a basis change, causing a spike in wheat bids. Competition from Russia has offered resistance to any big gains in the wheat market. Some remarks at the Global Grain Conference in Geneva attributed to a decline in prices midmonth. Russian wheat production was increased to 70.7 million metric tons, up 1.3 percent from the previous estimate.

*Sets of data for the graphs are from the Missouri Grain Cash Bids report that is published daily. Only dates in which markets are trading are represented.

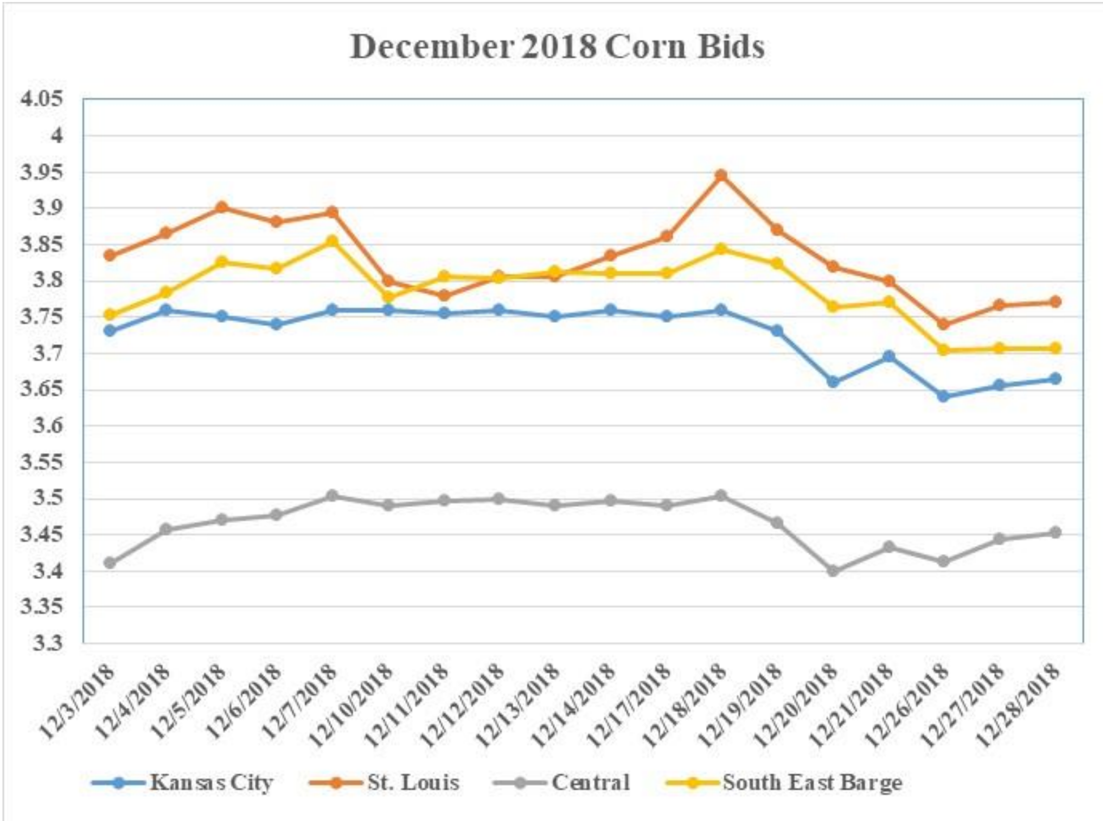
Source: MO Dept of Ag/USDA Market News Service, Jefferson City, MO
Caroline Tyler-Carter, Market Reporter, (573)751-5618

Monthly Grain Crop Review

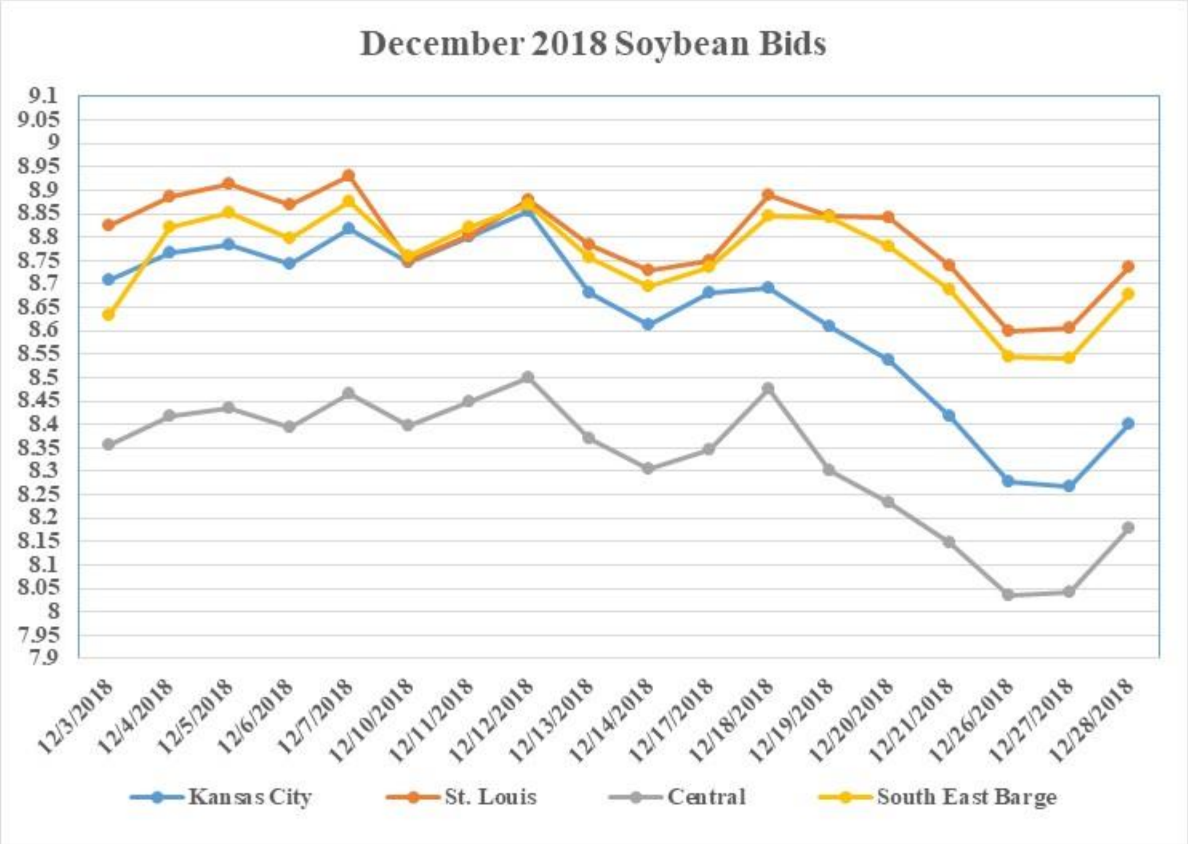
December 2018

Jefferson City, MO   Thu Jan 03, 2019   MO Dept of Ag/USDA Market News

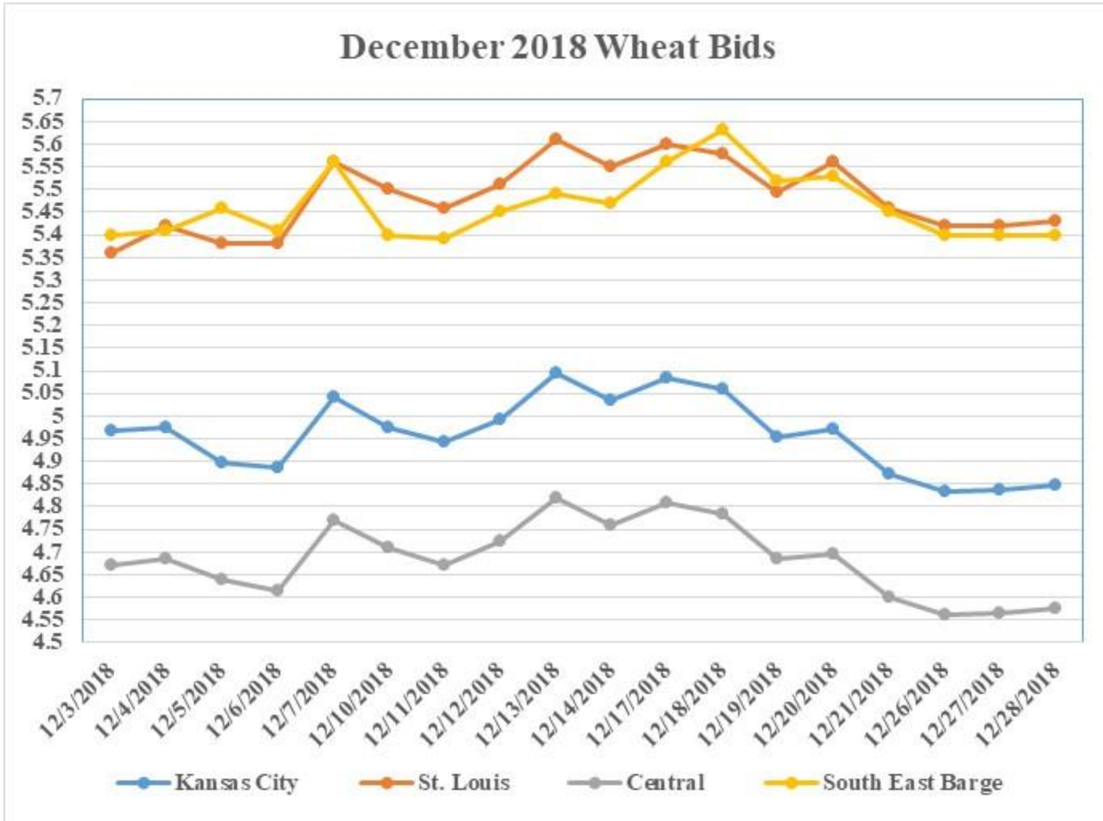
It has been an up and down ride for the grain market this year. While there are always seasonal swings in the grain markets, what really drove the market this year, especially the second half of the year, were overseas trade relations, South American weather, and supply concerns. Trade optimism or pessimism was a driving factor behind the price swings in soybeans and it spilled over into the other grain markets. Soybean futures contracts continued their volatility throughout December and the cash market followed their lead. It didn't help that there were two short trading weeks at the end of the month. It is not surprising to see increased volatility in markets in December, with the low trade volume and traders squaring up before the New Year. Along with the low volume trading in the futures market in the final two weeks of the year, grain markets were eager for more news about China and they had some effect on the markets. USDA announced that China would begin buying soybeans, but traders and the industry were disappointed in the amount and the market did not responded very much, like many thought it would. November and December are months in which China buys the majority of their soybeans and U.S. soybean exports to China are extremely low, compared to previous years. Cash corn and wheat markets traded mostly sideways. Some optimism was introduced to the grain markets when China announced that they would now permit U.S. rice imports for the first time. The latest drought monitor map was released January 3 and shows only 2.86 percent of the state is included in the map at D0 Abnormally Dry. This area is focused in the far southwest corner of Missouri. The latest drought map for the U.S. showed another week of improved conditions, with only 30.95 percent of the country included on the map, the majority being in the western part of the country.



The average Missouri cash bid for corn in December was 3.70, 11 cents more than the November average cash bid. There was a spike on the 18th, bringing the high bid for month at 3.95. Producers brought corn to town and the market responded by declining. Other than a couple of spikes that were reversed, corn bids closed out the month about where they started. Bids were .02 to .05 lower for the monthly trend. Comparing to a year ago, the average 2017 Missouri December cash corn bid was 3.35. It was kind of a stagnant month in the corn markets. Some uncertainty in the soybean market spilled over into the corn market, causing some the downward pressure. Nothing very major happened and corn prices took the path of least resistance.



The average Missouri cash bid for soybeans in December was 8.62, 20 cents more than the November average cash bid. While the average soybean bid increased, the cash bids at the end of the month were mixed, 28 cents lower to 3 cents higher than where they started at the beginning of the month. Comparing to a year ago, the average 2017 Missouri December cash soybean bid was 9.46. Soybean bids had a pretty choppy month. As stated above, trade relations, South American weather, and supply concerns drove the market the last half of the year and will most likely continue to be on everyone's minds. But as we begin the year, traders and producers will begin to look to the upcoming months and the potential soybean acres that will be planted in the U.S. The lack of concrete actions between U.S. and China discouraged the market, even when there were confirmations of purchases of soybeans. The amount purchased was disappointing to traders and markets continued to decline. Brazilian soybeans have seemingly replaced U.S. soybeans to China. The large expected South American crop and increased exports have been large influences in the limited U.S. exports.



The average Missouri cash bid for wheat in December was 5.14, 20 cents more than the November average cash bid. While the average wheat bid increased, the cash bids at the end of the month were anywhere from unchanged to .21 lower than where they started at the beginning of the month. Comparing to a year ago, the average 2017 Missouri December cash wheat bid was 3.90. The peaks midmonth contributed to the increased average bid. There was some concern with the late planted wheat. It had a hard time coming up and the increased rainfall may have drowned some fields that did emerge, especially early in the month. The large world supply and decreased U.S. exports continued to pressure prices. Russian wheat supply in particular is more than what was expected and their exports have not been decreased, so any gain in the U.S. market has been limited.

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